

AN ACT relating to postsecondary education and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. This Act may be cited as the "Kentucky Postsecondary Education Improvement Act of 1997."

SECTION 2. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The General Assembly hereby finds that:

(a) The general welfare and material well-being of citizens of the Commonwealth depends in large measure upon the development of a well-educated and highly trained workforce;

(b) The education and training of the current and future workforce of the Commonwealth can provide its businesses and industries with the competitive edge critical to their success in the global economy and must be improved to provide its citizens the opportunity to achieve a standard of living in excess of the national average.

(2) The General Assembly declares on behalf of the people of the Commonwealth the following goals to be achieved by the year 2020:

(a) A seamless, integrated system of postsecondary education strategically planned and funded to enhance economic development and quality of life;

(b) A major comprehensive research institution ranked nationally in the top twenty (20) public universities at the University of Kentucky;

(c) A premier, nationally recognized metropolitan research university at the University of Louisville;

(d) Regional universities working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and masters degrees of a quality at or above the national average;

1 (e) A comprehensive community and technical college system that ensures
 2 reasonable access throughout the Commonwealth to:

3 1. A two (2) year course of general studies designed for transfer to a
 4 baccalaureate program;

5 2. The training necessary to develop a workforce with the skills to meet
 6 the needs of existing companies and to attract new and expanding
 7 businesses and industries; and

8 3. Remedial and continuing education to improve the quality of life and
 9 employability of the citizens of the Commonwealth; and

10 (f) An efficient, responsive and coordinated system of autonomous institutions
 11 which delivers educational services to citizens in quantities and of a quality
 12 which is comparable to the national average.

13 (3) The achievement of these goals will lead to the development of a society with a
 14 standard of living and quality of life which meets or exceeds the national
 15 average.

16 (4) The furtherance of these goals is a lawful public purpose which can best be
 17 accomplished by a comprehensive system of postsecondary education with single
 18 points of accountability that ensure the coordination of programs and efficient
 19 use of resources.

20 Section 3. KRS 164.001 is amended to read as follows:

21 As used in this chapter, unless the context requires otherwise:

22 (1) "Administrator" means the chief executive officer of the institution regardless of
 23 title;

24 (2) "Adult basic education" means instruction in math, science, social studies,
 25 reading, language arts, and related areas to enable individuals to function in
 26 society;

1 (3) "Board" or "governing board" means the board of trustees for the University of
 2 Kentucky or the University of Louisville or board of regents for a regional
 3 university or the board of regents for the Kentucky Community and Technical
 4 College System;

5 (4) "Board of regents" means the governing board of each regional university and
 6 the Kentucky Community and Technical College System;

7 (5) "Committee" means the Strategic Committee on Postsecondary Education
 8 created in Section 4 of this Act;

9 (6) "Council" means the Council on Postsecondary Education created in Section 65
 10 of this Act;

11 (7) "Customized training" means training in specific academic areas, work
 12 processes, or technical skills that are designed to serve a specific industry or
 13 industries to upgrade worker skills;

14 (8) "Institution" means a university, college, community college, health technology
 15 center, vocational-technical school, technical institute, technical college, or
 16 technology center;

17 (9) "Kentucky Community and Technical College System" means the system
 18 composed of two (2) branches which are:

19 (a) The postsecondary vocational-technical schools, state technical institutes,
 20 health technology centers, and technology centers, formerly known as
 21 Kentucky Tech and operated by the Cabinet for Workforce Development;
 22 and

23 (b) The community colleges, except the Lexington Community College,
 24 formerly known as the University of Kentucky Community College System.

25 The system shall also include institutions created by the Board of Regents for the
 26 Kentucky Community and Technical College System and approved by the
 27 General Assembly;

- 1 (10) "Literacy" means an individual's ability to read, write, and speak in English and
 2 compute and solve problems at levels of proficiency necessary to function on the
 3 job and in society to achieve one's goals and develop one's knowledge and
 4 potential;
- 5 (11) "Lower division academic course" means any academic course offered for
 6 college or university credit which is designated as a freshman or sophomore level
 7 academic course;
- 8 (12) "Nonteaching personnel" means any employee who is a full-time staff member
 9 excluding the president, vice presidents, academic deans, academic department
 10 chairs, or administrators;
- 11 (13) "Postsecondary education system" means the University of Kentucky, University
 12 of Louisville, Eastern Kentucky University, Kentucky State University, Morehead
 13 State University, Murray State University, Northern Kentucky University,
 14 Western Kentucky University, and the Kentucky Community and Technical
 15 College System;
- 16 (14) "Relative" means a person's father, mother, brother, sister, husband, wife, son,
 17 daughter, aunt, uncle, son-in-law, or daughter-in-law
- 18 (15) "Remedial education" means any program, course, or activity that is designed
 19 specifically for first-time entering students who have basic deficiencies in
 20 reading, written or oral communication, mathematics, study skills, or other skills
 21 necessary to do beginning college-level work as defined by the institution;
- 22 (16) "Standardized degree program" means a program, approved by the Council on
 23 Postsecondary Education, that consists of specific competencies, curriculum, and
 24 performance requirements regardless of the providing institution;
- 25 (17) "Strategic agenda" means the state strategic postsecondary education agenda
 26 described in Section 6 of this Act; and

1 (18) "Technical institution" means an educational unit that offers certificates,
 2 diplomas, or technical degrees in technical or occupational-related programs,
 3 including facilities that may be named vocational-technical school, technical
 4 institute, health technology center, technology center, technical college, or
 5 similar title.

6 SECTION 4. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 7 READ AS FOLLOWS:

8 (1) The Strategic Committee on Postsecondary Education is hereby created and
 9 established. The committee shall be composed of members appointed by the
 10 Council on Postsecondary Education, the Governor, and the General Assembly.
 11 The council's representatives shall consist of the chair of the council, the
 12 president of the council, and other members of the council the chair may
 13 designate. The Governor's representatives shall consist of the Governor and other
 14 persons the Governor may designate. The General Assembly's representatives
 15 shall consist of the President of the Senate, the Speaker of the House of
 16 Representatives, the Majority and Minority Floor Leaders of both chambers of
 17 the General Assembly, and the co-chairs of the Interim Joint Committee on
 18 Appropriations and Revenue.

19 (2) The chair of the council shall serve as chair of the committee. The committee
 20 shall meet at least quarterly and at other times upon the written call of the chair
 21 or any two (2) of the three (3) entities that compose the committee.

22 (3) Nonlegislative members of the committee shall serve without compensation, but
 23 shall be reimbursed for their actual and necessary expenses, as set forth in KRS
 24 12.070(5). Committee members who are Kentucky legislators shall be
 25 compensated for attendance at committee meetings from the legislative branch
 26 budget bill and as set forth in KRS 6.190.

1 (4) The committee shall serve as a forum for the council and the elected leadership
 2 of the Commonwealth to exchange ideas about the future of postsecondary
 3 education in Kentucky.

4 (5) The council shall review its plans to implement the strategic agenda and advise
 5 the committee of the actions necessary to meet the goals established in Section 2
 6 of this Act. The elected leaders shall review and comment on the strategic agenda
 7 and the timetable for implementation.

8 (6) The Governor shall advise the committee about the financial condition of the
 9 Commonwealth and the probable funds the executive branch intends to
 10 recommend to the General Assembly to be appropriated for postsecondary
 11 education.

12 (7) The legislative members shall react to the comments of the council and the
 13 Governor.

14 (8) The council shall advise the committee about its opinion of how the
 15 postsecondary education funds projected to be available should be allocated
 16 based on priorities and projected resources. Nothing in this section shall be
 17 construed to infringe upon the Governor's duty under KRS 48.100 to recommend
 18 appropriations to the General Assembly or the General Assembly's power to make
 19 final appropriations in the enacted budget.

20 (9) The committee shall have the advisory authority not explicitly prohibited by
 21 statute that is necessary to carry out and effectuate its advisory functions, duties,
 22 and responsibilities, including the following:

23 (a) Receive reports from the council on the development and implementation of
 24 the long-term and biennial strategic agendas including biennial budget
 25 plans for postsecondary education and any subsequent and related strategic
 26 agendas and budget plans;

- 1 (b) Review the council's proposed biennial strategic agenda for the next fiscal
 2 biennium, including plans for accountability and the accomplishment of
 3 the objectives in the strategic agenda;
- 4 (c) Consider and advise the council on the general budget parameters
 5 regarding development of the postsecondary budget for the next fiscal
 6 biennium;
- 7 (d) Review biennial budget requests from the council for the next fiscal
 8 biennium including base funding, increases in base funding, and funding
 9 for a strategic investment and incentive funding program including criteria
 10 to be used in allocating these funds to institutions;
- 11 (e) Receive from the council, at least annually and on a more frequent basis if
 12 requested by the committee, accountability reports, budget information, and
 13 other information the committee deems proper; and
- 14 (f) Serve as the search committee for the review and consideration of
 15 candidates to be presented to the council for the initial appointment to the
 16 position of president of the Council on Postsecondary Education. Each
 17 entity of the committee shall have one (1) vote on the search committee.
 18 The vote of each entity shall be determined by a majority of the members of
 19 each entity.

20 SECTION 5. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 21 READ AS FOLLOWS:

- 22 (1) The Council on Postsecondary Education shall set the qualifications for the
 23 position of president of the council. The council shall employ a search firm and
 24 conduct a nationwide search for candidates. The search firm employed by the
 25 council shall consider and interview candidates for the position of president and
 26 propose three (3) candidates to the council, which may select one (1) of them as
 27 president. If the council so chooses, it may reject the first list of names and direct

1 the search firm to submit a list of three (3) additional names from which it may
 2 select a president. The council may repeat this process until it finds a satisfactory
 3 person to serve as president of the council.

4 (2) In the selection of candidates for the first president of the Council on
 5 Postsecondary Education, the Strategic Committee on Postsecondary Education
 6 shall serve as a search committee, employing a search firm for assistance. The
 7 committee shall recommend three (3) candidates to be considered by the council
 8 and may repeat this process until it finds a satisfactory person to serve as the first
 9 president of the council. Once appointed, the president shall serve at the pleasure
 10 of the council.

11 (3) The president shall possess an excellent academic and administrative
 12 background, have strong political and communication skills, have significant
 13 experience and an established reputation as a professional in the field of
 14 postsecondary education, and shall not express, demonstrate, or appear to have
 15 an institutional or regional bias in his or her actions.

16 (4) The president shall be the primary advocate for postsecondary education and
 17 advisor to the Governor and the General Assembly on matters of postsecondary
 18 education in Kentucky. As the primary advocate for postsecondary education, the
 19 president shall work closely with the committee and the elected leadership of the
 20 Commonwealth to ensure that they are fully informed about postsecondary
 21 educational issues and that the council fully understands the goals for
 22 postsecondary education which the General Assembly has established by law.

23 (5) The president may design and develop for review by the council new statewide
 24 initiatives in accordance with the strategic agenda.

25 (6) The president shall be compensated on a basis in excess of the base salary of any
 26 president of a Kentucky public university. The council shall set the salary of the

president which shall be exempt from state employee salary limitations as set forth in KRS 64.640.

(7) The president shall determine the staffing positions and organizational structure necessary to carry out the responsibilities of the council, and may employ staff.

(8) The president shall be responsible for the day-to-day operations of the council and shall report and submit annual reports on the implementation plan of the strategic agenda, carry out policy and program directives of the council, prepare and submit to the council for its approval the proposed budget of the council, and perform all other duties and responsibilities assigned by state law.

(9) With approval of the council, the president may enter into agreements with any state agency or political subdivision of the state, any state postsecondary education institution, or any other person or entity to enlist staff assistance to implement the duties and responsibilities under Section 66 of this Act.

(10) The president shall be reimbursed for all actual and necessary expenses incurred in the performance of all assigned duties and responsibilities.

SECTION 6. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The Council on Postsecondary Education shall adopt a strategic agenda which shall identify specific short-term and long-term strategies to achieve the goals established by law.

(2) The purpose of the strategic agenda is to further the public purposes under Section 2 of this Act, by creating high-quality, relevant, postsecondary educational opportunities in the Commonwealth. The strategic agenda shall:

(a) Serve as the public agenda for postsecondary education for the citizens of the Commonwealth, providing statewide priorities and a vision for long-term economic growth;

1 (b) State those important issues and aspirations of the Commonwealth's
 2 students, employers, and workforce reflecting high expectations for their
 3 performance and the performance of the educational institutions that serve
 4 them; and

5 (c) Sustain a long-term commitment for change, while valuing market-driven
 6 responsiveness, accountability to the public, technology-based strategies and
 7 incentive-based motivation.

8 An implementation plan to be developed by the council shall follow from the
 9 agenda and all institutional plans and missions shall further the strategic
 10 agenda.

11 (3) The framework for the implementation plan of the state's strategic postsecondary
 12 education agenda shall include the following elements:

13 (a) A mission statement;

14 (b) Goals;

15 (c) Principles;

16 (d) Strategies and objectives;

17 (e) Benchmarks; and

18 (f) Incentives to achieve desired results.

19 (4) The implementation of the strategic agenda shall take into consideration the
 20 value to society of a quality liberal arts education and the needs and concerns of
 21 the business community.

22 (5) The council shall develop objective measures to judge the performance of the
 23 postsecondary education system and progress toward achievement of the goals
 24 stated in Section 2 of this Act. Criteria used in establishing the benchmarks shall
 25 include, but not be limited to:

(a) Use of the statistical information commonly provided by governmental and regulatory agencies or specific data gathered by authorization of the council;

(b) Comparison of regions and areas within the Commonwealth, and comparisons of the Commonwealth to other states and the nation; and

(c) Measures of educational attainment, effectiveness, and efficiency including, but not limited to, those set forth in Section 76 of this Act.

(6) The council shall review the goals established by law at least every four (4) years and shall review the strategies and objectives at least every two (2) years.

SECTION 7. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) There is established and created in the Council on Postsecondary Education a Strategic Investment and Incentive Funding Program for postsecondary education to consist of a system of strategic financial assistance awards to institutions, systems, agencies, and programs of postsecondary education to advance the goals of postsecondary education as stated in Section 2 of this Act. There are established in the State Treasury the following individual strategic investment and incentive trust funds:

(a) A research challenge trust fund;

(b) A regional university excellence trust fund;

(c) A technology initiative trust fund;

(d) A physical facilities trust fund;

(e) A postsecondary workforce development trust fund; and

(f) A student financial aid and advancement trust fund.

(2) The funding program and the individual trust funds are created to provide financial assistance to the institutions, systems, agencies, and programs of postsecondary education each fiscal biennium. It is the intent of the General

Assembly to make appropriations, including general fund appropriations, each fiscal biennium to each of the individual trust funds in the funding program in a form and manner consistent with the strategic agenda adopted by the Council on Postsecondary Education. Appropriations made to individual trust funds in the Strategic Investment and Incentive Funding Program shall not lapse at the end of a fiscal year but shall be carried forward in the respective trust fund accounts and shall be available for allotment for their respective purposes in the next fiscal year.

SECTION 8. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The individual trust funds in the Strategic Investment and Incentive Funding Program may receive state appropriations, gifts and grants from public and private sources, and federal funds. Any unallotted or unencumbered balances in the individual trust funds shall be invested as provided for in KRS 42.500(9). Income earned from the investments shall be credited to the appropriate trust fund accounts.

SECTION 9. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The Council on Postsecondary Education shall make a biennial budget request to the General Assembly and to the Governor with regard to specific funding amounts to be appropriated to each individual trust fund in the Strategic Investment and Incentive Funding Program and funding to be appropriated to the base budgets of the institutions, systems, agencies, and programs.

(2) Funds appropriated for the Strategic Investment and Incentive Funding Program shall be for the purpose of encouraging the activities of institutions, systems, agencies, and programs of postsecondary education in accordance with the goals of the strategic agenda adopted by the Council on Postsecondary Education.

1 SECTION 10. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) (a) The research challenge trust fund created by Section 7 of this Act may
4 include separate, subsidiary programs and related accounts, such as an
5 Endowed Professorship Matching Program, an Endowed Chairs Matching
6 Program, an External Research Grant Matching Program, a Graduate
7 Assistant Program, a Junior Faculty Research Encouragement Program, or
8 other programs and related accounts as determined through the biennial
9 budget process for the Council on Postsecondary Education.

10 (b) Appropriations to the research challenge trust fund are to encourage basic
11 research activities at the University of Kentucky and at the University of
12 Louisville so that these institutions may achieve the goals established in
13 Section 2 of this Act.

14 (c) Funds appropriated to the research challenge trust fund shall be
15 apportioned two-thirds (2/3) to the University of Kentucky and one-third
16 (1/3) to the University of Louisville.

17 (2) The Council on Postsecondary Education shall develop the criteria and process
18 for submission of an application under this section. The University of Kentucky
19 and the University of Louisville may apply to the council for financial assistance
20 from the research challenge trust fund. The council shall determine the
21 matching funds or internal reallocation requirements from the applicants to
22 qualify for funding. Financial assistance which may be awarded by the council
23 shall be consistent with the adopted strategic agenda, the biennial budget process,
24 and any resources available to the research challenge trust fund.

25 SECTION 11. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
26 READ AS FOLLOWS:

(1) (a) The regional university excellence trust fund created by Section 7 of this Act shall consist of six (6) separate accounts: one (1) for Eastern Kentucky University; one (1) for Kentucky State University; one (1) for Morehead State University; one (1) for Murray State University; one (1) for Northern Kentucky University; and one (1) for Western Kentucky University.

(b) Funds appropriated to the regional university excellence trust fund or any subsidiary fund created by the Council on Postsecondary Education shall be apportioned to each of the regional universities proportional to their respective share of total general fund appropriations in each fiscal year net of debt service appropriations and net of specialized, noninstructional appropriations.

(c) The purpose of the regional university excellence trust fund is to provide financial assistance to encourage regional universities to develop nationally recognized programs of distinction and nationally recognized applied research programs consistent with the goals established in Section 2 of this Act.

(2) The council shall develop the criteria and process for submission of an application under this section. Each university may apply to the council for financial assistance from the regional university excellence trust fund. The council shall determine the matching funds or internal reallocation requirements from the applicants to qualify for funding. Financial assistance which may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and any resources available to the regional university excellence trust fund.

SECTION 12. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

1 (1) (a) The technology initiative trust fund created by Section 7 of this Act is
 2 intended to support investments in electronic technology for extending
 3 access to postsecondary education throughout the Commonwealth and for
 4 improving student learning.

5 (b) The Council on Postsecondary Education may establish separate subsidiary
 6 programs and related accounts to provide financial assistance to the
 7 postsecondary system as defined in Section 3 of this Act in acquiring the
 8 infrastructure necessary to acquire and develop electronic technology
 9 capacity; to encourage shared program delivery among institutions,
 10 systems, agencies, and programs; to provide funding for the
 11 Commonwealth Virtual University pursuant to Section 16 of this Act; and
 12 other programs consistent with the purposes of postsecondary education,
 13 the adopted strategic agenda, and the biennial budget process.

14 (2) The council shall develop the criteria and process for submission of an
 15 application under this section. Any university or the Kentucky Community and
 16 Technical College System may apply to the council for financial assistance from
 17 the technology initiative trust fund. The council shall determine the matching
 18 funds or internal reallocation requirements for the applicants to qualify for
 19 funding. Financial assistance which may be awarded by the council shall be
 20 consistent with the adopted strategic agenda, the biennial budget process, and
 21 any resources available to the technology initiative trust fund.

22 SECTION 13. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 23 READ AS FOLLOWS:

24 (1) The physical facilities trust fund created by Section 7 of this Act is intended to
 25 provide financial assistance for the renovation or expansion of the physical
 26 facilities of the postsecondary education system as defined in Section 3 of this
 27 Act. All capital projects funded through appropriations to the physical facilities

trust fund shall adhere to the capital processes created in KRS Chapters 7A, 45, 45A, and 48.

(2) Debt service appropriations for bond-supported capital projects funded through the physical facilities trust fund shall be made to the trust fund. Allotment of the appropriations shall be made to the university, Kentucky Community and Technical College System, or agency authorized to issue the bonds to finance the capital project.

(3) The Council on Postsecondary Education shall develop the criteria and process for submission of an application under this section. Each university or the Kentucky Community and Technical College System may apply to the council for financial assistance from the physical facilities trust fund. Financial assistance which may be awarded by the council shall be consistent with the adopted strategic agenda, the biennial budget process, and any resources available to the physical facilities trust fund.

SECTION 14. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

(1) The postsecondary workforce development trust fund created by Section 7 of this Act is intended to provide financial assistance to community colleges and technical institutions for the acquisition of equipment and technology necessary to provide quality technical education programs.

(2) The Council on Postsecondary Education shall develop the criteria and process for submission of an application under this section. The Kentucky Community and Technical College System may apply to the council for financial assistance from the postsecondary workforce development trust fund. Financial assistance shall be awarded for instructional programs ensuring that the community colleges and the technical institutions are able to continually acquire state-of-the-art equipment and technology needed to accomplish their missions.

1 SECTION 15. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) (a) The student financial aid and advancement trust fund created by Section 7
4 of this Act is intended to provide financial assistance which encourages
5 student access to postsecondary education including technical institutions
6 and colleges, community colleges, state-supported universities, and
7 accredited private colleges and universities.

8 (b) Appropriations shall be made to the trust fund and allotted to universities
9 and the Kentucky Community and Technical College System or to the
10 Kentucky Higher Education Assistance Authority as the Council on
11 Postsecondary Education deems appropriate. Appropriations made to this
12 trust fund may be used for the College Access Program, the Kentucky
13 Tuition Grant Program, or other student financial aid programs as
14 authorized by the General Assembly.

15 (c) The council shall establish separate subsidiary programs and related
16 accounts which are consistent with this section, the adopted strategic
17 agenda, the biennial budget process, and any resources available to the
18 student financial aid and advancement trust fund.

19 (2) The Council on Postsecondary Education, in consultation with the Kentucky
20 Higher Education Assistance Authority, shall determine the nature and purposes
21 of budget requests for funding support to the student financial aid and
22 advancement trust fund.

23 (3) The council shall develop the criteria and process for submission of an
24 application under this section. Financial assistance which may be awarded by the
25 council shall be consistent with the adopted strategic agenda, the biennial budget
26 process, and any resources available to the student financial aid and
27 advancement trust fund.

1 SECTION 16. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) The Commonwealth Virtual University shall be the collection of academic
4 programs made available to the citizens of the Commonwealth through the use of
5 modern methods of communications and information dissemination as
6 determined by the Council on Postsecondary Education after consideration of the
7 recommendations of the Distance Learning Advisory Committee.

8 (2) The council shall establish a Distance Learning Advisory Committee to advise
9 the council on matters relating to the Commonwealth Virtual University. The
10 members of the advisory committee shall include the presidents of each of the
11 nine (9) state postsecondary education institutions, the executive director of the
12 Kentucky Educational Television Network, a representative of the Association of
13 Independent Kentucky Colleges and Universities, and other representatives as the
14 council deems appropriate. The committee shall elect its chair and other officers
15 as it deems necessary.

16 (3) The council, after receiving the recommendations of the Distance Learning
17 Advisory Committee, shall establish policies to control and promote the use of
18 distance learning systems to increase the availability of baccalaureate and
19 masters degree programs throughout the state in the most efficient manner.

20 (4) The council shall determine the division of tuition, course offerings, source of
21 courses, technology to be used, and other matters relating to the use of distance
22 learning to promote education through the Commonwealth Virtual University.

23 SECTION 17. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
24 READ AS FOLLOWS:

25 (1) The president of the Kentucky Community and Technical College System shall
26 appoint a chancellor to head the community colleges' branch and a chancellor to
27 head the technical institutions' branch.

(2) The chancellors shall be appointed from candidates selected in a national search by a committee or consulting firm selected by the president.

(3) The chancellors shall possess the necessary skills to guide and direct the institutional missions of the respective branches.

(4) Each chancellor shall be responsible for:

(a) Administering the programs and services for the respective branches;

(b) Acting as the appointing authority for personnel or delegating this authority to appropriate staff of the respective branch;

(c) Coordinating the development of strategic actions to meet the overall strategic plan for postsecondary education as developed by the Council on Postsecondary Education;

(d) Supervising the development of policies within the overall framework of the system;

(e) Advocating the needs of the students, institutions, and staff under their respective jurisdictions;

(f) Developing responsive programming that meets the needs of the region and state and does not duplicate, but coordinates, resources of the community colleges and the technical institutions;

(g) Coordinating with other agency heads, both public and private, the development of training and education to meet the needs of Kentucky citizens and business and industry;

(h) Preparing accountability reports and other reports as needed;

(i) Preparing internal budget plans; and

(j) Other duties as identified by the president.

(5) Each chancellor shall serve at the pleasure of the president.

SECTION 18. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

1 (1) Effective July 1, 1998, the responsibilities and programs, staff, equipment, real
2 property, facilities, funds, and records relating to the operation of the
3 postsecondary institutions in the Kentucky Tech system shall be transferred from
4 the Cabinet for Workforce Development to the Kentucky Community and
5 Technical College System. The Finance and Administration Cabinet shall
6 execute the instruments necessary to transfer the real property relating to the
7 operation of the postsecondary institutions in the Kentucky Tech system from the
8 Cabinet for Workforce Development to the Kentucky Community and Technical
9 College System.

10 (a) The staff positions in the Department for Technical Education and the
11 Cabinet for Workforce Development whose responsibilities include support
12 for the postsecondary institutions in the Kentucky Tech System and the
13 school-based positions, shall be transferred to the Kentucky Community
14 and Technical College System. Selected employees of the Kentucky Tech
15 regional offices shall be transferred and reassigned within the Kentucky
16 Community and Technical College System. Appropriate central office
17 functions from the Department for Technical Education shall be assigned
18 within the system to carry out the administrative and support functions with
19 the approval of the board of regents for the Kentucky Community and
20 Technical College System.

21 (b) All funds related to the costs of operating the Kentucky Tech postsecondary
22 institutions, including the administrative costs, shall be transferred to the
23 board for carrying out the mission of the postsecondary technical
24 institutions and colleges.

25 (c) The following provisions shall apply to the employees who are transferred
26 from the Cabinet for Workforce Development to the Kentucky Community
27 and Technical College System, effective July 1, 1998:

- 1 1. Accumulated sick leave, compensatory time, and annual leave as of
- 2 June 30, 1998, shall be transferred with each employee;
- 3 2. Employees who have earned continuing status as defined in KRS
- 4 151B.010 and employees who have earned classified status as merit
- 5 system employees under KRS Chapter 18A shall be provided the same
- 6 standing. Those employees who are transferred and are in process of
- 7 earning continuing status or classified status shall earn their standing
- 8 based on the rules that were governing them on June 30, 1998, in
- 9 their respective systems. New employees within the system shall earn
- 10 status based on the new policies established by the board;
- 11 3. Employees shall transfer into the new system at a salary not less than
- 12 their previous salary as of June 30, 1998;
- 13 4. Employees shall be provided retirement plans in the same system
- 14 where they are currently enrolled: the Kentucky Teachers' Retirement
- 15 System pursuant to Section 60 of this Act, or the Kentucky Employees
- 16 Retirement System pursuant to Section 29 of this Act;
- 17 5. Employees shall be provided a health benefits package that is
- 18 available or equivalent to that provided other state or university
- 19 employees; and
- 20 6. Employees shall be provided life insurance coverage and optional
- 21 insurance or investment programs; and
- 22 (d) The board shall adopt rules that are the same as the administrative
- 23 regulations under KRS Chapter 151B in effect on June 30, 1998, to govern
- 24 the certified and equivalent employees who transfer from the Cabinet for
- 25 Workforce Development, except that the rules shall provide that all
- 26 grievances and appeals shall be to the board of regents or to the board's
- 27 designee. The board shall adopt rules that are the same as the

1 administrative regulations under KRS Chapter 18A in effect on June 30,
 2 1998, to govern the transferred classified employees, except that the rules
 3 shall provide that all grievances and appeals shall be to the board of regents
 4 or to the board's designee. A transferred employee shall have the option to
 5 elect to participate in the new Kentucky Community and Technical College
 6 personnel system in lieu of the rules under which the employee transferred.
 7 An employee who elects to accept this option may not return to the previous
 8 personnel policy. An employee shall have the right to exercise this option at
 9 any time.

10 (2) New employees hired after July 1, 1997, in the Kentucky Community and
 11 Technical College System shall be governed by the rules and regulations
 12 established by the board.

13 SECTION 19. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 14 READ AS FOLLOWS:

15 (1) Effective July 1, 1998, all responsibilities, programs, staff, equipment, real
 16 property including improvements, facilities, funds, and records relating to the
 17 operation of the community colleges, except those responsibilities, programs,
 18 staff, equipment, real property including improvements, facilities, funds, and
 19 records pertaining to the Lexington Community College, shall be transferred
 20 from the University of Kentucky to the Kentucky Community and Technical
 21 College System. The president and board of regents of the Kentucky Community
 22 and Technical College System shall have jurisdiction over the use and
 23 distribution of the resources to operate the system effectively and efficiently. The
 24 Finance and Administration Cabinet shall execute the instruments necessary to
 25 transfer the real property relating to the operation of the community colleges,
 26 except the real property pertaining to the Lexington Community College, from

1 the University of Kentucky to the Kentucky Community and Technical College
 2 System.

3 (2) All funds that are allocated in the University of Kentucky budget for
 4 administering the system, except those allocated to Lexington Community
 5 College, including the personnel, operating, and capital funds shall be
 6 transferred to the board. The transfer of funds shall include funds held in
 7 escrow, invested funds solely for the purpose of the community colleges,
 8 foundation funds, and bequests specifically earmarked for the community
 9 colleges. The board may divide the assets among the specific organizations and
 10 institutions within the system to meet the mission of the system.

11 (3) The board shall adopt the rules that were policy as of June 30, 1998, in the
 12 University of Kentucky administrative regulations to govern personnel
 13 transferred as of July 1, 1998, except that the rules shall provide that appeals
 14 shall be to the board of regents or to the board's designee. The following
 15 provisions shall apply to the transferred employees:

16 (a) Accumulated sick leave, compensatory time, and annual leave as of June
 17 30, 1998, shall be transferred with each employee;

18 (b) Employees with tenure shall transfer their tenure. Transfer employees
 19 without tenure shall earn tenure based on personnel policies in effect at the
 20 time of their employment. New employees without tenure shall earn tenure
 21 based on the new policies established by the board;

22 (c) Employees shall transfer into the new system at a salary not less than their
 23 previous salary as of June 30, 1998; and

24 (d) All employees shall be provided the benefit package as available on June
 25 30, 1998, for the University of Kentucky employees including participation
 26 in an optional retirement plan.

1 (4) A transferred employee may elect to participate in the new Kentucky Community
 2 and Technical College personnel system in lieu of the existing rules under which
 3 the employee transferred. An employee who elects to accept this option may not
 4 return to the previous personnel policy. The employee shall have the right to
 5 exercise this option at any time.

6 (5) New employees hired after July 1, 1997, in the Kentucky Community and
 7 Technical College System shall be governed by the rules established by the board.

8 SECTION 20. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 9 READ AS FOLLOWS:

10 (1) The board of regents may provide medical and accident insurance for students
 11 enrolled in the Kentucky Community and Technical College System institutions.
 12 The president, on behalf of the system, may enter into a contract or contracts
 13 with one (1) or more sureties or insurance companies or their agents to provide
 14 appropriate medical and accident insurance coverage and to provide group
 15 coverage to all students enrolled in institutions within the system. The
 16 appropriate group coverage shall be issued by one (1) or more sureties or
 17 insurance companies authorized to transact business in this state, and the
 18 coverage shall be approved by the commissioner of insurance.

19 (2) The board shall approve policies upon recommendation of the president to
 20 implement the medical and accident insurance program. The board may fix the
 21 rate of fees for all postsecondary and adult students, as it deems necessary to
 22 meet the expense in whole or in part for appropriate student medical and
 23 accident insurance.

24 (3) The limits of liability and other appropriate provisions for student medical and
 25 accident insurance authorized by this section shall be set by the board.

26 SECTION 21. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO
 27 READ AS FOLLOWS:

The president, on behalf of the board of regents, for the Community and Technical College System, shall provide a full report and recommendations to the Council on Postsecondary Education and to the Strategic Committee on Postsecondary Education by January 1 of each odd-numbered year. The report shall address the condition and operation of the system since the date of the previous report, and the capacity of the system to improve the knowledge and skills of Kentucky's adult population. It shall include outcome data as required by the Council on Postsecondary Education.

SECTION 22. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Council on Postsecondary Education shall establish regional advisory groups and shall provide necessary staff support to assist in the development of regional strategies for workforce development that support the state strategic agenda and that include a comprehensive coordinated approach to education and training services. The regional advisory groups shall be encouraged to:

- (1) Involve universities, colleges, technical institutions, elementary and secondary educational agencies, labor, business and industry representatives from regional and state labor market areas, community-based organizations, citizens' groups, and other policy makers in the development of the regional strategies; and
- (2) Assist with an annual review of progress toward the regional strategies.

SECTION 23. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The Kentucky Community and Technical College System shall continue to receive all necessary services which the University of Kentucky provided to the community colleges prior to the establishment of the Kentucky Community and Technical College System. These services shall be provided at a reasonable cost and shall include, but not be limited to, library services and processing scholarships and student loans. The University of Kentucky shall be reimbursed the reasonable costs of services. The

Council on Postsecondary Education shall resolve any disputes about services to be provided and costs to be charged for the services.

SECTION 24. A NEW SECTION OF KRS CHAPTER 164 IS CREATED TO READ AS FOLLOWS:

The universities and the Kentucky Community and Technical College System shall recognize and accept for transfer credit all courses that were accepted for transfer prior to the establishment of the Kentucky Community and Technical College System, unless a substantial change in the content for teaching the course can be demonstrated to have occurred. Disputes on these matters shall be settled by the Council on Postsecondary Education.

SECTION 25. A NEW SECTION OF KRS CHAPTER 48 IS CREATED TO READ AS FOLLOWS:

(1) On or before August 15, 1999, and in subsequent odd-numbered years, the Finance and Administration Cabinet, in conjunction with the Consensus Forecasting Group created by KRS 48.115, shall provide to each branch of government a budget planning report to include:

(a) A baseline analysis and projections of economic conditions and outlook;

(b) Any potential consequences of the analysis and projections for the Commonwealth's fiscal condition; and

(c) The revenue implications for the general fund and road fund for the current fiscal year and next four (4) fiscal years.

(2) The budget planning report shall include, but is not limited to, projections of personal income, employment, and preliminary planning estimates of general fund and road fund revenues to be used in the development of budgetary policy and guidelines for budget unit requests pursuant to KRS 48.040 and 48.050 for the next fiscal biennium.

Section 26. KRS 12.020 is amended to read as follows:

1 Departments, program cabinets and their departments, and the respective major
 2 administrative bodies that they include are enumerated in this section. It is not intended
 3 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
 4 bureau, interstate compact, commission, committee, conference, council, office, or any
 5 other form of organization shall be included in or attached to the department or program
 6 cabinet in which they are included or to which they are attached by statute or statutorily-
 7 authorized executive order; except in the case of the Personnel Board and where the
 8 attached department or administrative body is headed by a constitutionally elected officer,
 9 the attachment shall be solely for the purpose of dissemination of information and
 10 coordination of activities and shall not include any authority over the functions, personnel,
 11 funds, equipment, facilities, or records of the department or administrative body.

12 I. Cabinet for General Government - Departments headed by elected officers:

- 13 1. The Governor.
- 14 2. Lieutenant Governor.
- 15 3. Department of State.
 - 16 (a) Secretary of State.
 - 17 (b) Board of Elections.
 - 18 (c) Registry of Election Finance.
- 19 4. Department of Law.
 - 20 (a) Attorney General.
- 21 5. Department of the Treasury.
 - 22 (a) Treasurer.
- 23 6. Department of Agriculture.
 - 24 (a) Commissioner of Agriculture.
 - 25 (b) Kentucky Council on Agriculture.
- 26 7. Superintendent of Public Instruction.
- 27 8. Auditor of Public Accounts.

1 9. Railroad Commission.

2 II. Program cabinets headed by appointed officers:

3 1. Justice Cabinet:

4 (a) Department of State Police.

5 (b) Department of Criminal Justice Training.

6 (c) Department of Corrections.

7 (d) Department of Juvenile Justice.

8 (e) Office of the Secretary.

9 (f) Offices of the Deputy Secretaries.

10 (g) Office of General Counsel.

11 (h) Medical Examiner Program.

12 (i) Parole Board.

13 (j) Kentucky State Corrections Commission.

14 (k) Commission on Correction and Community Service.

15 2. Education, Arts, and Humanities Cabinet:

16 (a) Department of Education.

17 (1) Kentucky Board of Education.

18 (2) Education Professional Standards Board.

19 (b) Department for Libraries and Archives.

20 (c) Kentucky Arts Council.

21 (d) Kentucky Educational Television.

22 (e) Kentucky Historical Society.

23 (f) Kentucky Teachers' Retirement System Board of Trustees.

24 (g) Kentucky Center for the Arts.

25 (h) Kentucky Craft Marketing Program.

26 (i) Kentucky Commission on the Deaf and Hard of Hearing.

27 (j) Governor's Scholars Program

- 1 (k) Governor's School for the Arts.
- 2 (l) Office of Development.
- 3 (m) Kentucky Heritage Council.
- 4 (n) Kentucky African-American Heritage Commission.
- 5 3. Natural Resources and Environmental Protection Cabinet:
- 6 (a) Environmental Quality Commission.
- 7 (b) Kentucky Nature Preserves Commission.
- 8 (c) Department for Environmental Protection.
- 9 (d) Department for Natural Resources.
- 10 (e) Department for Surface Mining Reclamation and Enforcement.
- 11 (f) Office of Legal Services.
- 12 (g) Office of Communications and Community Affairs.
- 13 4. Transportation Cabinet:
- 14 (a) Department of Highways.
- 15 (b) Department of Vehicle Regulation.
- 16 (c) Department of Administrative Services.
- 17 (d) Department of Fiscal Management.
- 18 (e) Department of Rural and Municipal Aid.
- 19 (f) Office of Aeronautics.
- 20 (g) Office of General Counsel.
- 21 (h) Office of Public Relations.
- 22 (i) Office of Personnel Management.
- 23 (j) Office of Minority Affairs.
- 24 (k) Office of Environmental Affairs.
- 25 5. Cabinet for Economic Development:
- 26 (a) Department of Administration and Support.
- 27 (b) Department of Job Development.

- 1 (c) Department of Financial Incentives.
- 2 (d) Department of Community Development.
- 3 (e) Tobacco Research Board.
- 4 (f) Kentucky Economic Development Finance Authority.
- 5 6. Public Protection and Regulation Cabinet:
- 6 (a) Public Service Commission.
- 7 (b) Department of Insurance.
- 8 (c) Department of Housing, Buildings and Construction.
- 9 (d) Department of Financial Institutions.
- 10 (e) Department of Mines and Minerals.
- 11 (f) Department of Public Advocacy.
- 12 (g) Department of Alcoholic Beverage Control.
- 13 (h) Kentucky Racing Commission.
- 14 (i) Board of Claims.
- 15 (j) Crime Victims Compensation Board.
- 16 (k) Kentucky Board of Tax Appeals.
- 17 (l) Backside Improvement Commission.
- 18 7. Cabinet for Human Resources:
- 19 (a) Department for Health Services.
- 20 (b) Department for Social Insurance.
- 21 (c) Department for Social Services.
- 22 (d) Department for Medicaid Services.
- 23 (e) Department for Mental Health and Mental Retardation Services.
- 24 (f) Commission for Children with Special Health Care Needs.
- 25 (g) Public Assistance Appeals Board.
- 26 (h) Office of Administrative Services.
- 27 (i) Office of Communications.

- 1 (j) Office of General Counsel.
- 2 (k) Office of Inspector General.
- 3 (l) Office of Policy and Budget.
- 4 (m) Office of the Ombudsman.
- 5 8. Finance and Administration Cabinet:
- 6 (a) Office of Legal and Legislative Services.
- 7 (b) Office of Management and Budget.
- 8 (c) Office of Financial Management and Economic Analysis.
- 9 (d) Office of the Controller.
- 10 (e) Department for Administration.
- 11 (f) Department of Facilities Management.
- 12 (g) Department of Information Systems.
- 13 (h) State Property and Buildings Commission.
- 14 (i) Kentucky Pollution Abatement Authority.
- 15 (j) Kentucky Savings Bond Authority.
- 16 (k) Deferred Compensation Systems.
- 17 (l) Office of Equal Employment Opportunity Contract Compliance.
- 18 (m) Capital Plaza Authority.
- 19 (n) County Officials Compensation Board.
- 20 (o) Kentucky Employees Retirement Systems.
- 21 (p) Commonwealth Credit Union.
- 22 (q) State Investment Commission.
- 23 (r) Kentucky Housing Corporation.
- 24 (s) Governmental Services Center.
- 25 (t) Kentucky Local Correctional Facilities Construction Authority.
- 26 (u) Kentucky Turnpike Authority.
- 27 (v) Historic Properties Advisory Commission.

1 9. Labor Cabinet:

- 2 (a) Department of Workplace Standards.
- 3 (b) Department of Workers' Claims.
- 4 (c) Kentucky Labor-Management Advisory Council.
- 5 (d) Occupational Safety and Health Standards Board.
- 6 (e) Prevailing Wage Review Board.
- 7 (f) Workers' Compensation Board.
- 8 (g) Kentucky Employees Insurance Association.
- 9 (h) Apprenticeship and Training Council.
- 10 (i) State Labor Relations Board.
- 11 (j) Kentucky Occupational Safety and Health Review Commission.
- 12 (k) Office of Administrative Services.
- 13 (l) Office of Labor Management Relations.
- 14 (m) Office of General Counsel.
- 15 (n) Workers' Compensation Funding Commission.
- 16 (o) Employers Mutual Insurance Authority.

17 10. Revenue Cabinet:

- 18 (a) Department of Property Taxation.
- 19 (b) Department of Compliance and Taxpayer Assistance.
- 20 (c) Department of Administrative Services.
- 21 (d) Office of General Counsel.

22 11. Tourism Cabinet:

- 23 (a) Department of Travel Development.
- 24 (b) Department of Parks.
- 25 (c) Department of Fish and Wildlife Resources.
- 26 (d) Kentucky Horse Park Commission.
- 27 (e) State Fair Board.

- 1 (f) Office of Administrative Services.
- 2 (g) Office of Film Promotion.
- 3 (h) Office of General Counsel.
- 4 12. Cabinet for Workforce Development:
- 5 (a) Department for Adult Education and Literacy.
- 6 (b) Department for Technical Education.
- 7 (c) Department of Vocational Rehabilitation.
- 8 (d) Department for the Blind.
- 9 (e) Department for Employment Services.
- 10 (f) State Board for Adult and Technical Education.
- 11 (g) Governor's Council on Vocational Education.
- 12 (h) The State Board for Proprietary Education.
- 13 (i) The Foundation for Adult Education.
- 14 (j) The Kentucky Job Training Coordinating Council.
- 15 (k) Office of General Counsel.
- 16 (l) Office of Communication Services.
- 17 (m) Office of Development and Industry Relations.
- 18 (n) Office of Workforce Analysis and Research.
- 19 (o) Office for Administrative Services.
- 20 (p) Office for Policy, Budget, and Personnel.
- 21 (q) Unemployment Insurance Commission.

22 III. Other departments headed by appointed officers:

- 23 1. Department of Military Affairs.
- 24 2. Department of Personnel.
- 25 3. Council on Postsecondary ~~Higher~~ Education.
- 26 (a) Kentucky Community Service Commission.
- 27 4. Department of Local Government.

1 5. Kentucky Commission on Human Rights.

2 6. Kentucky Commission on Women.

3 7. Department of Veterans' Affairs.

4 8. Kentucky Commission on Military Affairs.

5 Section 27. KRS 12.023 is amended to read as follows:

6 The following organizational units and administrative bodies shall be attached to the Office
7 of the Governor:

8 (1) Council on Postsecondary~~[Higher]~~ Education~~[- (The state universities and colleges~~
9 ~~shall report through the Council on Higher Education).]~~

10 (2) Department of Military Affairs;

11 (3) Department of Local Government;

12 (4) Kentucky Commission on Human Rights;

13 (5) Kentucky Commission on Women;

14 (6) Kentucky Commission on Military Affairs; and

15 (7) Coal Marketing and Export Council.

16 Section 28. KRS 18A.115 is amended to read as follows:

17 (1) The classified service to which KRS 18A.005 to 18A.200 shall apply shall comprise
18 all positions in the state service now existing or hereafter established, except the
19 following:

20 (a) The General Assembly and employees of the General Assembly, including the
21 employees of the Legislative Research Commission;

22 (b) Officers elected by popular vote and persons appointed to fill vacancies in
23 elective offices;

24 (c) Members of boards and commissions;

25 (d) Officers and employees on the staff of the Governor, the Lieutenant Governor,
26 the Office of the secretary of the Governor's Cabinet, and the Office of
27 Program Administration;

- 1 (e) Cabinet secretaries, commissioners, office heads, and the administrative heads
2 of all boards and commissions, including the executive director of Kentucky
3 Educational Television;
- 4 (f) Employees of Kentucky Educational Television who have been determined to
5 be exempt from classified service by the Kentucky Authority for Educational
6 Television, which shall have sole authority over such exempt employees for
7 employment, dismissal, and setting of compensation, up to the maximum
8 established for the executive director and his principal assistants;
- 9 (g) One (1) principal assistant or deputy for each person exempted under
10 subsection (1)(e) of this section;
- 11 (h) One (1) additional principal assistant or deputy as may be necessary for making
12 and carrying out policy for each person exempted under subsection (1)(e) of
13 this section in those instances in which the nature of the functions, size, or
14 complexity of the unit involved are such that the commissioner approves such
15 an addition on petition of the relevant cabinet secretary or department head
16 and such other principal assistants, deputies, or other major assistants as may
17 be necessary for making and carrying out policy for each person exempted
18 under subsection (1)(e) of this section in those instances in which the nature of
19 the functions, size, or complexity of the unit involved are such that the board
20 may approve such an addition or additions on petition of the department head
21 approved by the commissioner;
- 22 (i) Division directors subject to the provisions of KRS 18A.170. Division
23 directors in the classified service as of January 1, 1980, shall remain in the
24 classified service;
- 25 (j) Physicians employed as such;
- 26 (k) One (1) private secretary for each person exempted under subsection (1)(e),
27 (g), and (h) of this section;

- 1 (l) The judicial department, referees, receivers, jurors, and notaries public;
- 2 (m) Officers and members of the staffs of state universities and colleges and
- 3 student employees of such institutions; officers and employees of the Teachers'
- 4 Retirement System; and officers, teachers, and employees of local boards of
- 5 education;
- 6 (n) Patients or inmates employed in state institutions;
- 7 (o) Persons employed in a professional or scientific capacity to make or conduct a
- 8 temporary or special inquiry, investigation, or examination on behalf of the
- 9 General Assembly, or a committee thereof, or by authority of the Governor,
- 10 and persons employed by state agencies for a specified, limited period to
- 11 provide professional, technical, scientific, or artistic services under the
- 12 provisions of KRS 45A.690 to 45A.725;
- 13 (p) Seasonal, temporary, and emergency employees;
- 14 (q) Federally funded time-limited employees;
- 15 (r) Officers and members of the state militia;
- 16 (s) State Police troopers and sworn officers in the Department of State Police,
- 17 Justice Cabinet;
- 18 (t) University or college engineering students or other students employed part-
- 19 time or part-year by the state through special personnel recruitment programs;
- 20 provided that while so employed such aides shall be under contract to work
- 21 full-time for the state after graduation for a period of time approved by the
- 22 commissioner or shall be participants in a cooperative education program
- 23 approved by the commissioner;
- 24 (u) Superintendents of state mental institutions, including heads of mental
- 25 retardation centers, and penal and correctional institutions as referred to in
- 26 KRS 196.180(2);

(v) Staff members of the Kentucky Historical Society, if they are hired in accordance with KRS 171.311;

(w) County and Commonwealth's attorneys and their respective appointees;

(x) Chief district engineers and the state highway engineer;

(y) Veterinarians employed as such by the Kentucky State Racing Commission or the Kentucky Harness Racing Commission~~and~~

(z) Employees of the Kentucky Peace Corps~~and~~

(aa) Employees of the Council on Postsecondary Education

(2) Nothing in KRS 18A.005 to 18A.200 is intended, or shall be construed, to alter or amend the provisions of KRS 150.022 and 150.061.

(3) Nothing herein is intended or shall be construed to affect any nonmanagement, nonpolicy-making position which must be included in the classified service as a prerequisite to the grant of federal funds to a state agency.

(4) Career employees within the classified service promoted to positions exempted from classified service shall, upon termination of their employment in the exempted service, revert to a position in that class in the agency from which they were terminated if a vacancy in that class exists. If no such vacancy exists, they shall be considered for employment in any vacant position for which they were qualified pursuant to KRS 18A.130 and 18A.135.

(5) Nothing herein shall be construed as precluding appointing officers from filling unclassified positions in the manner in which positions in the classified service are filled except as otherwise provided herein.

(6) Employees and their respective positions that are transferred to the Kentucky Community and Technical College System pursuant to KRS Chapter 164, effective July 1, 1998, shall have no guaranteed reemployment rights in the KRS Chapter 151B or KRS Chapter 18A personnel systems; however, an employee who seeks reemployment in a state position under KRS Chapter 151B or KRS

Chapter 18A shall have years of service in the Kentucky Community and Technical College System counted towards years of experience for calculating benefits and compensation.

Section 29. KRS 61.525 is amended to read as follows:

Membership in the system shall consist of the following:

- (1) All persons who become employees of a participating department after the date such department first participates in the system, except a person who did not elect membership pursuant to KRS 61.545(3);
- (2) All persons who are employees of a department on the date the department first participates in the system, either in service or on authorized leave from service, and who elect within thirty (30) days following the department's participation, or in the case of persons on authorized leave, within thirty (30) days of their return to active service, to become members and thereby agree to make contributions as provided in KRS 61.515 to 61.705;
- (3) All persons who are employees of any credit union whose membership was initially limited to employees of state government and their families and which subsequently may have been extended to local government employees and their families;
- (4) All persons who were professional staff employees of the Council on ~~Postsecondary~~~~[Higher]~~ Education or the Higher Education Assistance Authority and were contributing to the system on or after the effective date of Executive Order 74-762 or 75-964, respectively, and file a written election of their desire to continue in the system and all administrative and professional staff employees of the Higher Education Assistance Authority who, on or after January 1, 1993, are not participating in another retirement plan sponsored by the Higher Education Assistance Authority;
- (5) All persons who were professional staff employees of the Kentucky Authority for Educational Television on and after July 1, 1974;

(6) All persons who are employees of the Teachers' Retirement System except employees who are required to participate under the Teachers' Retirement System under KRS 161.220(4)(d) ~~and~~

(7) Membership in the system shall not include those employees who are simultaneously contributing to another state-administered defined benefit plan within Kentucky other than those administered by the Kentucky Retirement System ~~and~~

(8) Employees of the Kentucky Community and Technical College System who were previously contributing members and are not required to participate in the Teachers' Retirement System defined in Section 60 of this Act; and new employees as of July 1, 1998, who are not eligible under the Teachers' Retirement System or who are not contributing to an optional retirement plan established by the Board of Regents for the Kentucky Community and Technical College System

Section 30. KRS 61.945 is amended to read as follows:

(1) There is hereby created an independent agency of state government to be known as the Kentucky Information Resources Management Commission, hereafter called the commission. It shall be the responsibility of the commission to coordinate and guide the application of information technologies and resources in the executive branch of state government.

(2) The commission shall consist of:

- (a) Three (3) cabinet secretaries from the executive branch, at least one (1) of whom shall be from either the Transportation or Human Resources Cabinet, appointed by the Governor, or their respective designees;
- (b) The state budget director or his designee;
- (c) The commissioner of the Department of Information Systems;
- (d) The State Librarian or his designee;

- 1 (e) One (1) representative from the public universities to be appointed by the
- 2 Governor from a list of three (3) persons submitted by the president~~executive~~
- 3 ~~director~~ of the Council on Postsecondary~~Higher~~ Education;
- 4 (f) Two (2) citizen members from the private sector with information resources
- 5 management knowledge and experience to be appointed by the Governor;
- 6 (g) One (1) representative of local government appointed by the Governor from a
- 7 list of six (6) persons, three (3) to be submitted by the president of the
- 8 Kentucky League of Cities, and three (3) to be submitted by the president of
- 9 the Kentucky Association of Counties;
- 10 (h) One (1) member of the press to be appointed by the Governor from a list of
- 11 three (3) persons submitted by the president of the Kentucky Press
- 12 Association;
- 13 (i) The executive director of the Kentucky Authority for Educational Television;
- 14 (j) The chairman of the Communications Advisory Council as an ex officio,
- 15 nonvoting member; and
- 16 (k) The chairman of the Geographic Information Advisory Council as an ex
- 17 officio, nonvoting member.
- 18 (3) The commission shall select from its membership a chairperson and any other
- 19 officers it considers essential. A member of the commission shall not:
- 20 (a) Be an officer, employee, registered legislative agent, Executive Branch
- 21 lobbyist, or paid consultant of a business entity that has, or of a trade
- 22 association for business entities that has, a substantial interest in the
- 23 information resources technology industry;
- 24 (b) Own, control, or have directly or indirectly, more than a ten percent (10%)
- 25 interest in a business entity that has a substantial interest in the information
- 26 resources technology industry;

- 1 (c) Be in any manner connected with any contract or bid for furnishing any state
 2 governmental body with information resources systems, the computers on
 3 which they are automated, or a service related to information resources
 4 systems; or
- 5 (d) Receive anything of value from an individual, firm, or corporation to whom a
 6 contract may be awarded, directly or indirectly, by rebate, gift, or otherwise.
- 7 (4) (a) It shall be a ground for removal of a member of the commission if the member:
- 8 1. Does not maintain during service on the commission the qualifications or
 9 status required for initial appointment to the commission;
- 10 2. Violates a prohibition established by subsection (3) of this section; or
- 11 3. Is absent from three (3) consecutive meetings or more than half of the
 12 regularly-scheduled commission meetings that the member is eligible to
 13 attend during a state fiscal year unless the absence is excused by majority
 14 vote of the commission.
- 15 (b) The validity of an action of the commission shall not be affected by the fact
 16 that it was taken when a ground for removal of a member existed. If the
 17 chairperson of the commission has knowledge that a potential ground for
 18 removal of a commission member exists, the chairperson shall notify the
 19 Governor of the potential ground for removal.
- 20 (5) (a) The term of office of the members specified in subsections (2)(b), (c), (d), (i),
 21 (j), and (k) of this section shall be the same as the term of office by virtue of
 22 which they serve upon the commission.
- 23 (b) The terms of the cabinet secretaries appointed pursuant to subsection (2)(a) of
 24 this section shall be established in the commission's operating policies or
 25 bylaws not to be less than two (2) years.
- 26 (6) Members of the commission appointed pursuant to subsections (2)(e), (f), (g), and
 27 (h) of this section shall serve for a term of four (4) years. Vacancies in the

membership of the commission shall be filled in the same manner as the original appointments. If a nominating organization changes its name, the subsequent organization having the same responsibilities and purposes shall be the nominating organization.

(7) Members of the commission shall serve without compensation, but shall be reimbursed for actual expenses incurred in the performance of their duties.

(8) A majority of the members shall constitute a quorum for the transaction of business. Members' designees shall have voting privileges at commission meetings.

Section 31. KRS 61.955 is amended to read as follows:

(1) There is hereby created a Communications Advisory Council to the Kentucky Information Systems Commission for the development and coordination of statewide communications plans for the effective and efficient use of communications technology within state government.

(2) The Communications Advisory Council, hereinafter called the council, shall be responsible for assisting the Kentucky Information Systems Commission with the development and implementation of strategic plans for statewide communications.

(3) The council shall consist of:

(a) Two (2) officers of the Finance and Administration Cabinet which shall include the commissioners of the Department of Information Systems and Department of Facilities Management or their respective designees;

(b) Two (2) representatives of the public universities appointed by the Governor from a list of four (4) persons submitted by the president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~ Education;

(c) The president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~ Education or his designee;

(d) The executive director of the Kentucky Authority for Educational Television or his designee;

- 1 (e) The state librarian or his designee;
- 2 (f) The chief state school officer or his designee;
- 3 (g) The adjutant general or his designee;
- 4 (h) The commissioner of the Department of State Police or his designee;
- 5 (i) The executive director of the Administrative Office of the Courts or his
- 6 designee;
- 7 (j) The executive director of the Public Service Commission or his designee;
- 8 (k) One (1) representative of local governments to be appointed by the Governor;
- 9 and
- 10 (l) Two (2) citizen members to be appointed by the Governor.
- 11 (4) A member of the council may not:
 - 12 (a) Be an officer, employee, or paid consultant of a business entity, or of a trade
 - 13 association for business entities, that has a substantial interest in the
 - 14 communications industry;
 - 15 (b) Own or control, directly or indirectly, more than a ten percent (10%) interest
 - 16 in a business entity that has a substantial interest in the communications or
 - 17 automated information industry; or
 - 18 (c) Be in any manner connected with any contract or bid for furnishing any state
 - 19 governmental body with communications systems or a service related to the
 - 20 automation of information systems or the computers in which they are
 - 21 automated, or a related service.
- 22 (5) A member of the council shall be removed if the member violates a prohibition
- 23 established by subsection (4) of this section. The validity of an action of the council
- 24 shall not be affected by the fact that it was taken when a ground for removal of a
- 25 member existed. If the chairman of the commission has knowledge that a potential
- 26 ground for removal of a council member exists, the chairman shall notify the
- 27 Governor of the potential ground for removal.

- 1 (6) The term of office of the members specified in subsections (3)(a) and (3)(c) to (3)(j)
2 shall be the same as the term of the office by virtue of which they serve upon the
3 council.
- 4 (7) Appointed members of the council shall serve for a term of four (4) years. Vacancies
5 in the membership of the council shall be filled in the same manner as the original
6 appointments.
- 7 (8) Members of the council shall serve without compensation, but shall be reimbursed
8 for actual expenses incurred in the performance of their duties.
- 9 (9) A majority of the members shall constitute a quorum for the transaction of business.
10 Members' designees shall have voting privileges at council meetings.
- 11 Section 32. KRS 61.958 is amended to read as follows:
- 12 (1) There is hereby established a Geographic Information Advisory Council, hereinafter
13 called the council, to the Kentucky Information Systems Commission to advise the
14 Governor, the General Assembly, the Judicial Branch, and the Kentucky Information
15 Systems Commission on issues as they relate to geographic information and
16 geographic information systems.
- 17 (2) The council shall establish and adopt policies and procedures that assist state and
18 local jurisdictions in developing, deploying, and leveraging geographic information
19 resources and geographic information systems technology for the purpose of
20 improving public administration.
- 21 (3) The council shall closely coordinate with users of geographic information systems to
22 establish policies and procedures that insure the maximum use of geographic
23 information by minimizing the redundancy of geographic information and geographic
24 information resources.
- 25 (4) The Geographic Information Advisory Council shall consist of twenty five (25)
26 members and one (1) legislative liaison. The members shall be knowledgeable in the
27 use and application of geographic information systems technology and shall have

1 sufficient authority within their organizations to influence the implementation of
2 council recommendations.

3 (a) The council shall consist of:

- 4 1. The secretary of the Transportation Cabinet or his designee;
- 5 2. The secretary of the Cabinet for Human Resources or his designee;
- 6 3. The director of the Kentucky Geological Survey or his designee;
- 7 4. The secretary of the Revenue Cabinet or his designee;
- 8 5. The commissioner of the Department of Information Systems or his
9 designee;
- 10 6. The secretary of the Economic Development Cabinet or his designee;
- 11 7. The commissioner of the Department of Local Government or his
12 designee;
- 13 8. The secretary of the Justice Cabinet or his designee;
- 14 9. One (1) member appointed by the Governor from a list of three (3)
15 persons submitted by the president~~[executive director]~~ of the Council on
16 Postsecondary~~[Higher]~~ Education;
- 17 10. The adjutant general of the Department of Military Affairs or his
18 designee;
- 19 11. The commissioner of the Department of Education or his designee;
- 20 12. The secretary of the Natural Resources and Environmental Protection
21 Cabinet or his designee;
- 22 13. The commissioner of the Department of Agriculture or his designee;
- 23 14. The secretary of the Public Protection and Regulation Cabinet or his
24 designee;
- 25 15. The secretary of the Tourism Cabinet or his designee;
- 26 16. Two (2) members appointed by the Governor from a list of six (6)
27 persons submitted by the president of the Kentucky League of Cities;

- 1 17. Two (2) members appointed by the Governor from a list of six (6)
- 2 persons submitted by the president of the Kentucky Association of
- 3 Counties;
- 4 18. One (1) member appointed by the Governor from a list of three (3)
- 5 persons submitted by the president of the Kentucky Chapter of the
- 6 American Planning Association;
- 7 19. One (1) member appointed by the Governor from a list of three (3)
- 8 persons submitted by the president of the Kentucky Chamber of
- 9 Commerce;
- 10 20. One (1) member appointed by the Governor from a list of three (3)
- 11 persons submitted by the president of the Kentucky Association of Land
- 12 Surveyors;
- 13 21. One (1) member appointed by the Governor from a list of three (3)
- 14 persons submitted by the president of the Kentucky Society of
- 15 Professional Engineers; and
- 16 22. One (1) member appointed by the Governor from a list of three (3)
- 17 persons submitted by the chairman of the Kentucky Board of Registered
- 18 Geologists; and
- 19 23. One (1) member appointed by the Governor from a list of three (3)
- 20 persons submitted by the president of the Council of Area Development
- 21 Districts.
- 22 (b) The council shall have one (1) nonvoting legislative liaison, to be appointed by
- 23 the Legislative Research Commission.
- 24 (5) The council shall select from its membership a chairman and any other officers it
- 25 considers essential. The council may have committees and subcommittees as
- 26 determined by the council or an executive committee, if an executive committee
- 27 exists.

- 1 (6) A member of the council shall not:
- 2 (a) Be an officer, employee, or paid consultant of a business entity that has, or of a
- 3 trade association for business entities that has, a substantial interest in the
- 4 geographic information industry and is doing business in the Commonwealth;
- 5 (b) Own, control, or have directly or indirectly, more than ten percent (10%)
- 6 interest in a business entity that has a substantial interest in the geographic
- 7 information industry;
- 8 (c) Be in any manner connected with any contract or bid for furnishing any
- 9 governmental body of the Commonwealth with geographic information
- 10 systems, the computers on which they are automated, or a service related to
- 11 geographic information systems;
- 12 (d) Be a person required to register as a lobbyist because of activities for
- 13 compensation on behalf of a business entity that has, or on behalf of a trade
- 14 association of business entities that have substantial interest in the geographic
- 15 information industry;
- 16 (e) Accept or receive money or another thing of value from an individual, firm, or
- 17 corporation to whom a contract may be awarded, directly or indirectly, by
- 18 rebate, gift, or otherwise;
- 19 (f) Be liable to civil action or any action performed in good faith in the
- 20 performance of duties as a council member.
- 21 (7) Those council members specified in subsection (4)(a) of this section who serve by
- 22 virtue of an office shall serve on the council while they hold that office.
- 23 (8) Appointed members of the council shall serve for a term of four (4) years. Vacancies
- 24 in the membership of the council shall be filled in the same manner as the original
- 25 appointments. If a nominating organization changes its name, its successor
- 26 organization having the same responsibilities and purposes shall be the nominating
- 27 organization.

1 (9) The council shall have no funds of its own, and council members shall not receive
2 compensation of any kind from the council.

3 (10) A majority of the members shall constitute a quorum for the transaction of business.
4 Members' designees shall have voting privileges at council meetings.

5 Section 33. KRS 63.080 is amended to read as follows:

6 (1) Except as provided in subsection (2) of this section and otherwise provided by law,
7 any person appointed by the Governor, either with or without the advice and consent
8 of the Senate, may be removed from office by the Governor for any cause the
9 Governor deems sufficient, by an order of the Governor entered in the executive
10 journal removing the officer.

11 (2) Members of the board of trustees of the University of Kentucky, the board of
12 trustees of the University of Louisville, members of the board of regents respectively
13 of Eastern Kentucky University, Western Kentucky University, Morehead State
14 University, Kentucky State University, Northern Kentucky University, and Murray
15 State University, the Kentucky Community and Technical College System, ~~and~~
16 members of the Kentucky Board of Education, and the Council on
17 Postsecondary ~~Higher~~ Education shall not be removed except for cause.

18 Section 34. KRS 95A.020 is amended to read as follows:

19 (1) There is hereby created the Commission on Fire Protection Personnel Standards and
20 Education, hereinafter called "commission," which shall be attached to the state fire
21 marshal's office in the Department of Housing, Buildings and Construction.

22 (2) The commission shall be composed of seventeen (17) members, residents of the
23 State of Kentucky, appointed by the Governor. These members should be persons
24 well qualified by experience or education in the field of fire protection or related
25 fields.

26 (3) The membership of the commission shall include:

- 1 (a) Two (2) volunteer firefighters, neither of which is a fire chief or assistant fire
- 2 chief;
- 3 (b) Three (3) paid firefighters, at least one (1) of whom shall be a full-time paid
- 4 county firefighter and none of whom shall be a fire chief or assistant fire chief;
- 5 (c) One (1) trustee of a volunteer fire department or fire district who is not a
- 6 volunteer firefighter;
- 7 (d) Two (2) fire chiefs of paid fire departments;
- 8 (e) One (1) licensed physician;
- 9 (f) Two (2) fire chiefs of volunteer fire departments;
- 10 (g) One (1) teacher or administrator representing the fire and rescue training
- 11 service of the Kentucky Community and Technical Community College
- 12 System~~[Office of Kentucky Tech System of the Department for Adult and~~
- 13 ~~Technical Education in the Workforce Development Cabinet]~~
- 14 (h) One (1) representative of the Division of Disaster and Emergency Services of
- 15 the Department of Military Affairs;
- 16 (i) One (1) mayor of a Kentucky city;
- 17 (j) One (1) county judge/executive;
- 18 (k) One (1) representative of Kentucky industry or business enterprise; and
- 19 (l) One (1) representative of the general public.

20 The chancellor for the technical branch of the Kentucky Community and

21 Technical College System~~[commissioner of the Department for Adult and Technical~~

22 ~~Education]~~ and the state fire marshal, or their designees, shall serve as ex officio

23 members of the commission. Their designees shall have full voting rights. Appointive

24 members shall be appointed for a term of four (4) years. Any member chosen by the

25 Governor to fill a vacancy created otherwise than by expiration of term shall be

26 appointed for the unexpired term of the member he is chosen to succeed.

1 (4) Members of the commission shall receive no compensation for their services but
 2 shall be allowed their actual and necessary expenses incurred in the performance of
 3 their functions ~~hereunder~~.

4 (5) Members of the commission appointed pursuant to this section shall first be
 5 appointed on July 15, 1980. The terms of members appointed earlier shall terminate
 6 on July 15, 1980, but the Governor may reappoint those members who qualify under
 7 the provisions of this section.

8 Section 35. KRS 138.510 is amended to read as follows:

9 (1) Except for the conduct of harness racing at a county fair, an excise tax is imposed on
 10 all tracks conducting pari-mutuel racing under the jurisdiction of the Kentucky
 11 Racing Commission. For each track with a daily average handle of one million two
 12 hundred thousand dollars (\$1,200,000) or above, the tax shall be in the amount of
 13 three and one-half percent (3.5%) of all money wagered during the fiscal year. A
 14 fiscal year as used in this subsection and subsection (2) shall begin at 12:01 a.m. July
 15 1 and end at 12 midnight June 30. For each track with a daily average handle under
 16 one million two hundred thousand dollars (\$1,200,000) the tax shall be an amount
 17 equal to one and one-half percent (1.5%) of all money wagered during the fiscal
 18 year. For the purposes of this subsection, the daily average handle shall be computed
 19 from the amount wagered only at the host track on live racing and shall not include
 20 money wagered;

21 (a) At a receiving track;

22 (b) At a simulcast facility;

23 (c) On telephone account wagering; or

24 (d) At a track participating as a receiving track or simulcast facility displaying
 25 simulcasts and conducting interstate wagering as permitted by KRS 230.3771
 26 and 230.3773.

1 Money shall be deducted from the tax paid by host tracks and deposited to the
2 respective development funds in the amount of three-quarters of one percent
3 (0.75%) of the live racing handle for thoroughbred racing and one percent (1%) of
4 the live handle for harness racing.

5 (2) An excise tax is imposed on;

6 (a) All licensed tracks conducting telephone account wagering;

7 (b) All tracks participating as receiving tracks in intertrack wagering under the
8 jurisdiction of the Kentucky Racing Commission; and

9 (c) All tracks participating as receiving tracks displaying simulcasts and
10 conducting interstate wagering thereon.

11 (3) The tax imposed in subsection (2) of this section shall be in the amount of three
12 percent (3%) of all money wagered under subsection (2) of this section during the
13 fiscal year.

14 (4) An amount equal to two percent (2%) of the amount wagered shall be deducted
15 from the tax imposed in subsection (2) of this section and deposited as follows:

16 (a) If the money is deducted from taxes imposed under subsection (2)(a) and (b)
17 of this section, it shall be deposited in the thoroughbred development fund if
18 the host track is conducting a thoroughbred race meeting or the Kentucky
19 standardbred, quarter horse, Appaloosa, and Arabian development fund, if the
20 host track is conducting a harness race meeting; or

21 (b) If the money is deducted from taxes imposed under subsection (2)(c) of this
22 section, to the thoroughbred development fund if interstate wagering is
23 conducted on a thoroughbred race meeting or to the Kentucky standardbred,
24 quarter horse, Appaloosa, and Arabian development fund, if interstate
25 wagering is being conducted on a harness race meeting.

26 (5) Two-tenths of one percent (0.2%) of the total amount wagered on live racing in
27 Kentucky shall be deducted from the pari-mutuel tax levied in subsection (1) of this

1 section, and one-twentieth of one percent (0.05%) of the total amount wagered on
 2 intertrack wagering shall be deducted for the pari-mutuel tax levied in subsection (2)
 3 of this section, and allocated to the equine industry program trust and revolving fund
 4 to be used for funding the equine industry program at the University of Louisville.

5 (6) One-tenth of one percent (0.1%) of the total amount wagered in Kentucky shall be
 6 deducted from the pari-mutuel tax levied in subsections (1), (2), and (3) of this
 7 section and deposited to a trust and revolving fund to be used for the construction,
 8 expansion, or renovation of facilities or the purchase of equipment for equine
 9 programs at state universities. These funds shall not be used for salaries or for
 10 operating funds for teaching, research, or administration. Funds allocated under this
 11 subsection shall not replace other funds for capital purposes or operation of equine
 12 programs at state universities. The Kentucky Council on Postsecondary~~Higher~~
 13 Education shall serve as the administrative agent and shall establish an advisory
 14 committee of interested parties, including all universities with established equine
 15 programs, to evaluate proposals and make recommendations for the awarding of
 16 funds. The Kentucky Council on Postsecondary~~Higher~~ Education may by
 17 administrative regulation establish procedures for administering the program and
 18 criteria for evaluating and awarding grants.

19 Section 36. KRS 151B.025 is amended to read as follows:

20 (1) The Department for Technical Education is hereby created and shall be attached to
 21 the Cabinet for Workforce Development. The department shall consist of a
 22 commissioner and those administrative bodies and employees provided or appointed
 23 pursuant to law.

24 (2) The chief executive officer of the department shall be the commissioner of the
 25 Department for Technical Education. The appointment of the commissioner shall be
 26 made from a list of three (3) names submitted by the State Board for Adult and
 27 Technical Education to the secretary and the Governor. The commissioner shall be

1 appointed by the secretary of the Cabinet for Workforce Development from the list
 2 with the approval of the Governor. The commissioner shall have general supervision
 3 and direction over all functions of the department and its employees, and shall be
 4 responsible for carrying out the programs and policies of the department. The
 5 commissioner shall be responsible for implementing policies adopted by the State
 6 Board for Adult and Technical Education. The commissioner may delegate authority
 7 to deputies who may then act on his behalf in performing the duties assigned herein.

8 (3) The department shall have the responsibility for all administrative functions of the
 9 state in relation to the management, control, and operation of ~~nondegree programs~~
 10 ~~in post-secondary and vocational technical education, and may exercise the general~~
 11 ~~powers and functions relating to a Kentucky technical system of state vocational~~
 12 ~~technical schools,]~~ state-operated **secondary** area vocational education **and**
 13 **technology** centers~~[, state technical institutes, and technology centers].~~ When
 14 appropriate, the department shall provide education training programs through
 15 contracts with private business and industries. These programs may be on a shared
 16 cost basis or on a total cost recovery basis.

17 (4) The department shall have the authority to enter into agreements or contracts with
 18 other government or education agencies, including local school districts, in order to
 19 carry out services under its jurisdiction.

20 (5) **Secondary** area vocational education **and technology** centers shall be operated in
 21 compliance with program standards established by the Kentucky Board of
 22 Education. Principals, counselors, and teaching staff shall meet the qualifications and
 23 certification standards for all secondary vocational personnel as established by the
 24 **Education Professional Standards Board**~~[Kentucky Board of Education. Program~~
 25 ~~standards and qualification of staff in the post-secondary institutions shall be~~
 26 ~~governed solely by the State Board for Adult and Technical Education].~~ **Funds**
 27 **appropriated to support** the cost of operating area vocational education **and**

1 technology centers shall be transferred annually from the secondary funds
2 administered by the Kentucky Department of Education for that purpose.

3 (6) The Department for Technical Education, in the operation and management of its
4 schools and the programs at those schools, shall meet all required federal and state
5 standards relating to facilities and personnel qualification; provided, however, that
6 no license or license fee shall be required for any school or program operated by the
7 Department for Technical Education.

8 (7) The Department for Technical Education shall be the education agency solely
9 designated for the purpose of developing and approving state plans required by state
10 or federal laws and regulations as prerequisites to receiving federal funds for
11 vocational-technical or technology education. The department shall involve
12 representatives from all eligible recipient categories in the development of such
13 plans.

14 (8) The department shall be permitted to enter into memorandums of agreement with
15 individuals on a year to year basis to fill positions in hard-to-find teaching
16 specialties. Such agreements and compensation shall be approved by the State
17 Board for Adult and Technical Education, but shall not be subject to the provisions
18 of KRS Chapter 45A[45]. All such agreements shall be filed with the secretary of the
19 Finance and Administration Cabinet.

20 (9) The commissioner of the Department for Technical Education shall, from time to
21 time, prepare or cause to be prepared, and submit for approval and publication by
22 the State Board for Adult and Technical Education, any bulletins, programs, outlines
23 of courses, placards, and courses of study he deems useful in the promotion of the
24 interests of technical and vocational education.

25 (10) The department shall prepare a biennial budget request and submit it for review by
26 the State Board for Adult and Technical Education. The budget shall be forwarded

1 to the secretary of the Cabinet for Workforce Development for review and
2 modification.

3 Section 37. KRS 151B.030 is amended to read as follows:

4 The Department for Technical Education shall be divided according to the following
5 organizational structure:

6 (1) The commissioner of the Department for Technical Education shall appoint a deputy
7 commissioner for technical education pursuant to KRS 12.050, who shall serve as
8 secretary to the State Board for Adult and Technical Education. ~~The deputy~~
9 ~~commissioner shall also directly supervise the Office of the Kentucky Tech System,~~
10 ~~which is created by subsection (3) of this section.]~~

11 (2) There is hereby created a Division of Administrative ~~Federal Programs and~~
12 ~~Support~~ Services within the Department for Technical Education. The division shall
13 be headed by a director appointed by the commissioner of the Department for
14 Technical Education. The division shall be composed of organizational entities as
15 deemed appropriate by the commissioner of the Department for Technical Education
16 as set forth by administrative order.

17 (3) There is hereby created an Office of Area Vocational Education and Technology
18 Centers ~~the Kentucky Tech System~~ within the Department for Technical Education.
19 The office shall be headed by an office head appointed by the commissioner of the
20 Department for Technical Education pursuant to KRS 12.050. The office head shall
21 be an individual with a background in school administration and supervision and
22 shall be otherwise reasonably qualified to carry out the duties of the office. The
23 office shall be comprised of the system of state-operated secondary ~~vocational~~
24 ~~technical schools and~~ area vocational education and technology centers ~~known as~~
25 ~~the Kentucky Tech System~~. The office shall be composed of the Division of School
26 Management ~~Operations~~, the Division of Curriculum Services ~~Program~~
27 ~~Management~~, an Ombudsman, and an assistant for budget analysis. Each division

1 shall be headed by a director appointed by the commissioner of the Department for
2 Technical Education and shall be composed of such organizational entities as
3 deemed appropriate by the commissioner of the Department for Technical Education
4 as set forth by administrative order.

5 Section 38. KRS 151B.035 is amended to read as follows:

6 (1) The State Board for Adult and Technical Education shall promulgate, by
7 administrative regulations, personnel policies and procedures for all full-time and
8 part-time unclassified employees, certified and equivalent staff, including
9 administrative, teaching, and supervisory staff in the Department for Adult
10 Education and Literacy and the Department for Technical Education central offices,
11 state-operated vocational facilities, and regional staffs. All other staff shall remain
12 under the authority of the Kentucky Department of Personnel and KRS Chapter
13 18A. Employees who transfer to or from the KRS Chapter 18A personnel system
14 shall transfer accrued annual, compensatory, and sick leave.

15 (2) As provided in this chapter, the State Board for Adult and Technical Education shall
16 promulgate comprehensive administrative regulations for the administration of a
17 personnel system in the Department for Adult Education and Literacy and the
18 Department for Technical Education which are consistent with the provisions of this
19 chapter and with federal standards for state government agencies receiving federal
20 grants.

21 (3) The board shall promulgate comprehensive administrative regulations for full-time
22 and part-time certified and equivalent staff governing:

- 23 (a) Establishment and abolishment of positions;
- 24 (b) Applications;
- 25 (c) Certification;
- 26 (d) Classification and compensation plans;
- 27 (e) Incentive programs;

- 1 (f) Selection of employees;
- 2 (g) Types of appointments;
- 3 (h) Attendance, including hours of work, compensatory time, and annual, court,
- 4 military, sick, voting, and special leaves of absence;
- 5 (i) Preparation, maintenance, and revision of a position classification plan and an
- 6 equitable salary schedule for certified and equivalent staff based on
- 7 qualifications, experience, and responsibilities;
- 8 (j) Extent and duration of the state-operated area vocational education and
- 9 technology centers~~[Kentucky Tech System]~~ school term, use of school days,
- 10 and extended employment;
- 11 (k) Employee evaluations;
- 12 (l) Programs to improve the work effectiveness of employees including staff
- 13 development;
- 14 (m) Demotion;
- 15 (n) Dismissal;
- 16 (o) Layoffs;
- 17 (p) Suspensions and other disciplinary measures;
- 18 (q) Probationary periods, limited employment status, and continuing employment
- 19 status;
- 20 (r) Promotion;
- 21 (s) Transfer;
- 22 (t) Appeals; and
- 23 (u) Employee grievances and complaints.
- 24 (4) (a) Administrative regulations promulgated by the board shall comply with the
- 25 provisions of this chapter and KRS Chapter 13A, and shall have the force and
- 26 effect of law, when approved by the board, and after compliance with the
- 27 provisions of KRS Chapter 13A.

- 1 (b) Administrative regulations promulgated by the board shall not expand or
2 restrict rights granted to, or duties imposed upon, employees and
3 administrative bodies by the provisions of this chapter.
- 4 (c) No administrative body other than the State Board for Adult and Technical
5 Education shall promulgate administrative regulations governing the subject
6 matters specified in this section.
- 7 (d) Policies and procedures for the implementation of administrative regulations
8 shall be developed by the Department for Adult Education and Literacy and
9 the Department for Technical Education.
- 10 (5) The commissioner for Adult Education and Literacy and the commissioner for
11 Technical Education shall be the appointing authorities with respect to all personnel
12 actions for their respective departments. Each commissioner may authorize a
13 designee to act on behalf of his agency with respect to employee appointments,
14 position establishments, payroll documents, reemployment lists, waiver requests, or
15 other position actions. Such designation shall be in writing. Authority to employ
16 personnel may be delegated to the vocational school management by state board
17 policy and procedure. Any recommendation for employment from the local level
18 shall be based on guidelines promulgated by the state board and shall be contingent
19 upon confirmation by the commissioner and the board.
- 20 (6) The board shall promulgate other administrative regulations to govern its
21 proceedings which relate to certified and equivalent employees and which shall
22 provide for:
- 23 (a) The procedures to be utilized by the board in the conduct of hearings,
24 consistent with KRS Chapter 13B;
- 25 (b) Discharge, as provided by this section;
- 26 (c) Imposition, as a disciplinary measure, of a suspension from service without pay
27 for up to thirty (30) working days and, in accordance with the provisions of

- 1 KRS 151B.055, for the manner of notification of the employee of the discipline
2 and right of appeal;
- 3 (d) Promotions which shall give appropriate consideration to the applicant's
4 qualifications, record of performance, and conduct;
- 5 (e) Supplementary information for the salary schedule for certified and equivalent
6 staff including teachers, counselors, administrators, managers, and educational
7 consultants in state-operated vocational technical facilities, field offices, and
8 central office in the Department for Adult Education and Literacy and the
9 Department for Technical Education that shall provide uniformity, recognition
10 of education, teaching, and supervisory experience and use as a base the
11 average salary paid to beginning classroom teachers by all public schools in the
12 state for personnel with comparable qualifications and experience. Indexes may
13 be incorporated in the compensation plan for administrative responsibilities.
14 The salary schedule shall be computed annually, and shall be submitted to and
15 approved by the Governor;
- 16 (f) Reemployment of laid-off employees in accordance with the provisions of this
17 chapter;
- 18 (g) Establishment of a plan for resolving employee grievances and complaints. The
19 plan shall not restrict rights granted employees by the provisions of this
20 chapter; and
- 21 (h) Any other administrative regulations not inconsistent with this chapter and
22 KRS Chapter 13A proper and necessary for its enforcement.
- 23 (7) The board shall make investigations, either on petition of a citizen, taxpayer,
24 interested party, or on its own motion, concerning the enforcement and effect of
25 KRS 151B.035 to 151B.090, shall require observance of its provisions and the
26 administrative regulations promulgated pursuant to the provisions of this chapter and

1 KRS Chapter 13A, and shall make investigation as requested by the General
2 Assembly or the Governor and to report thereon.

3 (8) The board shall promulgate administrative regulations, pursuant to KRS Chapter
4 13A, for an appeal system for aggrieved certified or equivalent employees.

5 (9) The board shall hear appeals from applicants for positions or from certified,
6 equivalent, and unclassified employees who have been dismissed, demoted,
7 suspended, or otherwise penalized for cause.

8 (10) The board may, any statute to the contrary notwithstanding, delegate the conduct of
9 the hearing and the rendition of a recommended order to the full board, to a panel of
10 the board, or to a hearing officer, relative to any hearing appeal, or decision, judicial
11 or quasi-judicial in nature, which the board is empowered or directed, by this or any
12 other chapter, to conduct, hear, or make; provided, however, that the full board as
13 provided by statute, makes the final order, based upon the evidence submitted.

14 (11) The board shall promulgate administrative regulations, pursuant to KRS Chapter
15 13A, governing the unclassified service including the preparation and maintenance of
16 a salary schedule and other administrative regulations authorized by this chapter.

17 (12) The annual percentage salary increment for all certified and equivalent employees
18 subject to the personnel system established under this chapter shall be at least equal
19 to that funded and provided for other elementary and secondary teachers.

20 **(13) The positions of employees who are transferred from the Cabinet for Workforce**
21 **Development, effective July 1, 1998, to the Kentucky Community and Technical**
22 **College System shall be abolished and the employees' names removed from the**
23 **roster of state employees. Employees who are transferred to the Kentucky**
24 **Community and Technical College System shall have no guaranteed**
25 **reemployment rights in the KRS Chapter 151B or KRS Chapter 18A personnel**
26 **systems; however, an employee who seeks reemployment in a state position under**
27 **KRS Chapter 151B or KRS Chapter 18A shall have years of service in the**

Kentucky Community and Technical College System counted toward years of experience for calculating benefits and compensation.

Section 39. KRS 151B.075 is amended to read as follows:

- (1) The State Board for Adult and Technical Education shall adopt written evaluation procedures for all certified and equivalent employees. The procedures shall be based upon recommendations received from the commissioner for adult education and literacy, the commissioner for technical education, and a committee composed of equal numbers of teachers, counselors, and administrators.
- (2) Evaluations shall be in writing. An evaluator shall follow all statutory and regulatory provisions for evaluation and shall present and explain all documentation affecting an employee's evaluation, as well as discuss every aspect of performance with the employee at each evaluation. The evaluator shall solicit the employee's opinions and suggestions and shall advise the employee of the measures needed to improve performance.
- (3) Each full-time employee who has completed initial probation, and each part-time employee who works over one hundred (100) hours each month and who has completed initial probation shall be evaluated.
- (4)
 - (a) The first-line supervisor of an employee shall be the evaluator, providing the period of supervision has been for a period of at least ninety (90) calendar days.
 - (b) If the evaluator has supervised an employee for at least ninety (90) calendar days and ceases to be the employee's first-line supervisor after such period of time, the evaluation of the employee shall be at least five (5) working days prior to the day when the responsibility for supervision ceases.
 - (c) If the first-line supervisor ceases to be the supervisor of an employee due to the suspension, demotion, or dismissal of the first-line supervisor, paragraph (b) of this subsection shall not apply.

- 1 (d) If the first-line supervisor ceases to be an employee's supervisor because the
- 2 employee transfers, the first-line supervisor shall evaluate the employee prior
- 3 to transfer, if the period of supervision of the employee is not less than ninety
- 4 (90) calendar days prior to notification of transfer.
- 5 (5) Teachers and administrators in the state-operated secondary area vocational
- 6 education and technology centers~~[schools]~~ shall be evaluated in the following
- 7 categories and appropriate criteria for each category shall be described in the written
- 8 evaluation procedure:
- 9 (a) School or classroom management, as appropriate;
- 10 (b) Job knowledge and skills;
- 11 (c) Instructional management;
- 12 (d) Employee conduct; and
- 13 (e) Professional responsibility.
- 14 (6) All other certified and equivalent staff in the field and in the central office shall be
- 15 evaluated in the following categories with appropriate criteria described in written
- 16 evaluation procedures:
- 17 (a) Job knowledge and skills;
- 18 (b) Quality of work;
- 19 (c) Employee conduct; and
- 20 (d) Professional responsibility.
- 21 (7) There shall be established by the state board an evaluation appeals procedure for
- 22 certified or equivalent personnel in the Department for Adult Education and Literacy
- 23 and the Department for Technical Education.
- 24 (8) (a) Within five (5) working days of an evaluation, an employee may request
- 25 reconsideration of the evaluation by the evaluator.
- 26 (b) Within five (5) working days of the reconsideration, an employee may:

- 1 1. Submit a written response to any evaluation which shall be attached to
- 2 the evaluation; and
- 3 2. Submit a written request for reconsideration of any evaluation to the
- 4 second-line supervisor.
- 5 (c) No later than fifteen (15) working days after receipt of the request, the second-
- 6 line supervisor shall inform the employee and the evaluator in writing of the
- 7 decision after the second-line supervisor has:
- 8 1. Obtained written statements from both the employee and the evaluator;
- 9 or
- 10 2. Met with the employee and the evaluator; and
- 11 3. Reviewed the evaluation process according to statutory or regulatory
- 12 requirements as well as the ratings.
- 13 (9) Within thirty (30) days after the employee has received the written decision of the
- 14 second-line supervisor, the employee may appeal an evaluation to the next level. For
- 15 the state-operated secondary area vocational education and technology
- 16 centers~~[Kentucky Tech System]~~, this appeal shall go to the ombudsman for
- 17 mediation. If not resolved at this level, the employee may file an appeal with the
- 18 commissioner of the Department for Technical Education who shall make a final
- 19 ruling. For other employees in the Department for Adult Education and Literacy and
- 20 the Department for Technical Education, this appeal shall go to the appropriate
- 21 office head and then to the commissioner.
- 22 (10) If an employee receives an overall unsatisfactory evaluation rating on two (2)
- 23 successive evaluations, the employee shall be:
- 24 (a) Demoted to a position commensurate with abilities; or
- 25 (b) Terminated.
- 26 Section 40. KRS 151B.095 is amended to read as follows:

- 1 (1) There is hereby established the State Board for Adult and Technical Education to be
 2 attached to the Cabinet for Workforce Development, which shall consist of nine (9)
 3 voting members, one (1) from each Supreme Court district as established by KRS
 4 21A.010 and two (2) members from the state at large. Members shall serve for terms
 5 of four (4) years. A chairperson shall be selected by the membership.
- 6 (2) The Governor shall make appointments to the board and fill any vacancies as they
 7 occur. Appointments shall conform to subsection (4) of this section.
- 8 (3) The terms of the appointees shall expire on June 30 in the appropriate year, and the
 9 terms of each new member appointed thereafter shall begin on July 1.
- 10 (4) The members of the State Board for Adult and Technical Education shall have the
 11 qualifications of school board members required by KRS 160.180, except that
 12 members of the board shall be at least thirty (30) years of age. Appointments shall be
 13 made without reference to occupation, political affiliation, or similar considerations.
 14 No member at the time of his appointment or during the term of his service shall be
 15 engaged as a professional educator.
- 16 (5) Members of the State Board for Adult and Technical Education shall possess an
 17 understanding of business and industry and a knowledge of occupational and
 18 academic needs of adults. At least one (1) member shall possess a knowledge of
 19 vocational rehabilitation services.
- 20 (6) The board may~~[shall have the authority to]~~ enter into agreements with other
 21 agencies in order to carry out services under its jurisdiction.
- 22 (7) The board may enter into agreements with the Kentucky Community and
 23 Technical College System to provide space and equipment for programs for
 24 adults in the area technology centers. The board shall not operate full-time
 25 diploma postsecondary programs unless there is an agreement with the Kentucky
 26 Community and Technical College System~~[shall be responsible for establishing~~

1 ~~priorities for, and approval of, construction of facilities designed for vocational-~~
 2 ~~occupational programs.~~

3 ~~(8) The board, in conjunction with the Council on Higher Education, shall, by program~~
 4 ~~title, prepare a complete listing of programs of a vocational-technical-occupational~~
 5 ~~nature offered in public institutions of higher education and the community colleges,~~
 6 ~~state vocational-technical schools and centers, and junior and senior high schools.~~
 7 ~~These listings shall distinguish between vocational-technical-occupational programs~~
 8 ~~for which approval is required by the state board and other general education~~
 9 ~~programs.~~

10 ~~(9) The board shall have the authority and responsibility to review and to make~~
 11 ~~recommendations to the Council on Higher Education concerning both new and~~
 12 ~~existing programs at the associate degree level offered at the institutions of public~~
 13 ~~higher education, including the community colleges, if these programs are of a~~
 14 ~~vocational-technical-occupational nature]~~

15 Section 41. KRS 151B.110 is amended to read as follows:

16 The State Board for Adult and Technical Education shall have the management and
 17 control of state-operated secondary area vocational education and technology
 18 centers~~[vocational schools]~~, and all programs and services operated in these~~[schools and]~~
 19 centers. In addition, it shall be responsible for adult education and literacy programs and
 20 services.

21 Section 42. KRS 151B.115 is repealed, reenacted as a new section of KRS Chapter
 22 164, and amended to read as follows:

23 Vocational and nonvocational programs offered at the state universities shall be operated
 24 and administered by those universities consistent with the regulations developed by the
 25 board of trustees or regents and approved by the Council on Postsecondary~~[Higher]~~
 26 Education for the issuance of associate, baccalaureate, or graduate degrees.~~[The State~~
 27 ~~Board for Adult and Technical Education shall not operate or administer any programs for~~

1 ~~such degrees.]~~ Joint programming and articulation of vocational-technical education
 2 nondegree programs with associate degree programs shall be pursued between the
 3 Kentucky Community and Technical College System and other postsecondary
 4 institutions when feasible. No public institution of higher education~~[, including the~~
 5 ~~community colleges,]~~ shall offer any new program of a vocational-technical-occupational
 6 nature below the associate degree level without the review~~[consent]~~ of the ~~State]~~ board
 7 of regents for the Kentucky Community~~[Adult]~~ and Technical College System and the
 8 approval of the Council on Postsecondary Education. The ~~State]~~ board of regents for
 9 the Kentucky Community~~[Adult]~~ and Technical College System~~[Education]~~, with
 10 approval of the Council on Postsecondary~~[Higher]~~ Education, may contract with public
 11 institutions of higher education for the operation of specific programs and projects.

12 Section 43. KRS 151B.165 is amended to read as follows:

13 Tuition and fees for secondary pupils enrolled in the state secondary~~[vocational-technical~~
 14 ~~schools and]~~ area vocational education and technology centers operated by the
 15 Department for Technical Education, shall be free to all residents of Kentucky. The
 16 State Board for Adult and Technical Education shall fix the rate of tuition and fees for~~]~~
 17 ~~postsecondary pupils and]~~ adults who are enrolled in secondary programs in the ~~state~~
 18 ~~operated vocational-technical schools and]~~ area vocational education and technology
 19 centers under its control. Adult students enrolled in full-time postsecondary programs
 20 under the jurisdiction of the Kentucky Community and Technical College System that
 21 are physically located in an area vocational education or technology center shall pay
 22 the tuition as established by the Council on Postsecondary Education, and fees as
 23 established by the board of regents for the Kentucky Community and Technical
 24 College System.~~[The state board shall fix the rate of tuition and fees and the conditions~~
 25 ~~on which postsecondary pupils and adults who are not residents of Kentucky shall be~~
 26 ~~admitted. The state board shall fix such incidental fees as it deems necessary to meet such~~
 27 ~~incidental expenses of postsecondary pupils and adults as may be incurred.]~~

Section 44. KRS 151B.175 is amended to read as follows:

- (1) The commissioner of the Department for Technical Education is authorized to provide medical and accident insurance for students enrolled in the state secondary area technology centers~~[vocational-technical schools]~~ and area vocational education centers. The Department for Technical Education may enter into a contract or contracts with one (1) or more sureties or insurance companies or their agents to provide appropriate medical and accident insurance coverage and to provide group coverage to all students enrolled in state-operated~~[state-vocational-technical]~~ schools under its jurisdiction~~[and area vocational education centers]~~. The appropriate group coverage shall be issued by one (1) or more sureties or insurance companies authorized to transact business in this state, and such coverage shall be approved by the commissioner of insurance.
- (2) The State Board for Adult and Technical Education, upon the recommendation of the commissioner of the Department for Technical Education, shall promulgate administrative regulations to implement the medical and accident insurance program. The State Board for Adult and Technical Education may fix the rate of fees for all secondary~~[and postsecondary]~~ students~~[and adults]~~, the provisions of KRS 151B.165 with respect to fees for secondary students notwithstanding, as it deems necessary to meet the expense in whole or in part for appropriate student medical and accident insurance.
- (3) The limits of liability and other appropriate provisions for student medical and accident insurance authorized by this section shall be set by the State Board for Adult and Technical Education.

Section 45. KRS 151B.215 is amended to read as follows:

- (1) The Kentucky Occupational Information Coordinating Committee (KOICC) is hereby created and shall be attached to the Office for Workforce Analysis and

1 Research within the Office of the Secretary of the Cabinet for Workforce
2 Development.

3 (2) The committee shall coordinate the development, gathering, aggregation, analysis,
4 dissemination, and application of occupational, labor market, educational training,
5 and career information for the purpose of planning and administering occupational,
6 career, employment training, and economic development efforts and for its use in
7 decision making by counselors, students, the unemployed, and others. The
8 committee shall facilitate the integration of occupational, labor market, and
9 educational training opportunities information into the program planning process.
10 The committee shall use this information for the enhancement of economic
11 development endeavors and the Kentucky Career Information System.

12 (3) The committee shall do all things necessary to comply with the Adult and Education
13 Act, 20 U.S.C. secs. 1201 et seq.; the Carl D. Perkins Vocational Education Act, 29
14 U.S.C. secs. 2301 et seq.; the Job Training Partnership Act, 29 U.S.C. secs. 1501 et
15 seq.; and other related public laws which mandate the establishment of state
16 occupational information coordinating committees, state occupational information
17 systems, and state career information systems, including the filing of required reports
18 and annual plans.

19 (4) The objectives of the committee shall include, but shall not be limited to the
20 following:

21 (a) To coordinate, and evaluate information which will be used to develop a
22 comprehensive statewide policy relating to all job training, skills development,
23 and related education programs funded or administered by any agency of the
24 Commonwealth. This statewide policy shall be published and distributed by the
25 committee;

- 1 (b) To promote communication, cooperation, and coordination between producers
- 2 and users of data and information relating to education and training,
- 3 employment, and economic development;
- 4 (c) To work toward providing one (1) commonly-accepted data and information
- 5 base, based on standardized terminologies and estimating procedures, which
- 6 can be utilized by all related organizations in meeting the program planning and
- 7 counseling needs of users;
- 8 (d) To develop, implement, and operate an occupational information system for
- 9 use by planners and administrators of educational training programs and
- 10 economic development efforts;
- 11 (e) To develop, implement, and operate a Kentucky Career Information System
- 12 for use by counselors, students, the unemployed, and others in the career
- 13 decision making process;
- 14 (f) To provide information and training to user groups on new programs and
- 15 resources which are available for utilization in the enhancement of common
- 16 endeavors;
- 17 (g) To prepare, publish, and distribute, with or without charge as the committee
- 18 may determine, technical studies, reports, bulletins, and other materials as it
- 19 deems appropriate; and
- 20 (h) To collect, analyze, and disseminate to interested individuals, in cooperation
- 21 with and through any agencies of federal, state, and municipal government,
- 22 information concerning areas of present and projected employment needs,
- 23 programs of skills training and education consistent therewith, special
- 24 occupational licensure requirements, wage data by occupation, and any other
- 25 relevant information.
- 26 (5) The Kentucky Occupational Information Coordinating Committee (KOICC) shall be
- 27 composed of the following:

- 1 (a) The secretary of the Cabinet for Workforce Development, who shall serve as
- 2 chairman;
- 3 (b) The commissioner of the Department for Employment Services, Cabinet for
- 4 Workforce Development, who shall serve as vice chairman;
- 5 (c) The executive director of the Bluegrass State Skills Corporation;
- 6 (d) The executive director of the Governor's Council on Vocational Education;
- 7 (e) The commissioner of the Department of Vocational Rehabilitation;
- 8 (f) ~~{The commissioner of the Department for Technical Education;~~
- 9 ~~(g)}~~ The commissioner of the Department for Adult Education and Literacy;
- 10 ~~(g)}~~~~(h)}~~ The commissioner of the Department for the Blind;
- 11 ~~(h)}~~~~(i)}~~ The two (2) chancellors~~{chancellor}~~ of the~~{ University of }~~ Kentucky
- 12 Communityand TechnicalCollege System;
- 13 ~~(i)}~~~~(j)}~~ A representative from the Kentucky Council on Postsecondary~~{Higher}~~
- 14 Education;
- 15 ~~(j)}~~~~(k)}~~ A representative from the Kentucky Chamber of Commerce; and
- 16 ~~(k)}~~~~(4)}~~ Five (5) additional representatives from the private sector representing
- 17 employers, employees, and interested parties who shall be appointed by and
- 18 serve at the pleasure of the Governor.
- 19 (6) Committee members shall receive no compensation, with the exception of those
- 20 members serving by virtue of public office, but members shall be reimbursed for their
- 21 expenses in attending meetings and other authorized activities as provided by
- 22 regulation.
- 23 (7) The committee shall meet as often as necessary, but at least quarterly in the months
- 24 of January, April, July, and October, to effectuate its purposes. Meetings shall be
- 25 called by the chairman and notice of meetings shall be either in writing or other
- 26 acceptable means of communications. For the purpose of conducting business, a
- 27 majority of the committee shall constitute a quorum.

1 (8) The committee shall be attached to the Cabinet for Workforce Development.

2 (9) The committee may create subcommittees as needed to carry out the purposes of the
3 full committee.

4 Section 46. KRS 151B.410 is amended to read as follows:

5 (1) The Department for Adult Education and Literacy shall administer an adult
6 education learning system in regions of the state. The adult education learning
7 system shall include diverse educational services provided by credentialed
8 professionals, based on the learners' current needs and a commitment to life-long
9 learning.

10 (a) Services shall be provided at multiple sites appropriate for adult learning
11 including vocational and technical schools, ~~University of Kentucky~~
12 community colleges, regional universities, ~~and~~ adult education centers, ~~and~~
13 family resource centers, adult correctional facilities, and other institutions.

14 (b) Access and referral services shall be initiated at multiple points including
15 businesses, educational institutions, labor organizations, employment offices,
16 and government offices.

17 (c) Multiple funding sources, program support, and partnerships to administer the
18 adult education learning system may include: the Adult Education Act as
19 amended by the National Literacy Act; Kentucky Education Reform Act
20 funded family resource centers; Job Training Partnership Act; Kentucky
21 Bluegrass State Skills Corporation, Job Opportunities and Basic Skills
22 program; adult technical education; ~~University of Kentucky~~ community
23 college system; Parent and Child Education programs; student scholarship and
24 grants; fees for services rendered; and other general, agency, local, federal, and
25 private funds.

26 (2) Services included as part of the adult education learning system shall include, but not
27 be limited to:

- 1 (a) Functionally-contexted workplace essential skills training based on employers'
- 2 needs, leading to a competency-based certificate indicating proficiency in
- 3 critical thinking, computating, reading, writing, communicating, problem-
- 4 solving, team-building, and use of technology at various worksites regarding
- 5 basic skills;
- 6 (b) Literacy and adult basic education which includes learning for those with
- 7 academic educational skills below the ninth grade level;
- 8 (c) Adult secondary education that includes learning above the ninth grade level
- 9 including GED preparation and the external diploma program, that is a
- 10 competency-based assessment system which credentials mature adults who
- 11 have acquired high school level skills through life experiences;
- 12 (d) Family literacy programs, that have a goal of intergenerational transfer of
- 13 cognitive skills, support of children's education, participation in Kentucky
- 14 Education Reform Act and breaking the poverty cycle, by offering basic skills
- 15 and competencies with parenting, life skills, and parent-child interactive
- 16 activities; and
- 17 (e) English as a second language programs for adults who have limited English
- 18 proficiency.
- 19 (3) (a) The Department for Adult Education and Literacy within the Cabinet for
- 20 Workforce Development may establish regional adult education advisory
- 21 committees, representing adult education practitioners, state vocational
- 22 technical and ~~University of Kentucky~~ community college educators,
- 23 employment and career advisors, business and industry participants,
- 24 employees, students, and organized labor.
- 25 (b) The adult education advisory committees shall meet at least twice a year to:

- 1 1. Advise the Department for Adult Education and Literacy on the regional
- 2 training services and needs in the area of adult education and
- 3 functionally-contexted workplace essential skills;
- 4 2. Report the number and location of referral and access points that have
- 5 identified an adult population who is or could benefit from service and
- 6 has an active interest in participation;
- 7 3. Report the number and location of entrance points that have identified an
- 8 adult population who has been referred for service; and
- 9 4. Report the number of adults served and the number completing
- 10 programs, method of payment for services, outcomes of service
- 11 provision, and career and employment change following program
- 12 completion.
- 13 (4) In administering an adult education system, the Department for Adult Education and
- 14 Literacy shall:
- 15 (a) Establish regions for purpose of implementing an adult education learning
- 16 system assisting local programs;
- 17 (b) Make provision for quality job-specific and workplace essential skills
- 18 instruction for workers in business and industry, literacy and adult basic
- 19 education, adult secondary education, including GED preparation, the external
- 20 diploma program, English as a second language, and family literacy programs,
- 21 in cooperation with local business, labor, economic development, educational,
- 22 employment, and service support entities;
- 23 (c) Develop student assessments in coordination with other educational and
- 24 employment entities, allowing assessments to be shared when necessary with
- 25 appropriate personnel for accessing students, additional educational programs,
- 26 taking into consideration student confidentiality;

- (d) Establish professional credentials for instructors, and make provision for the development of those providers who have not attained the established credentials;
- (e) Develop criteria for certifying adult education providers;
- (f) Develop administrative regulations for consideration by the Cabinet for Workforce Development and the State Board for Adult and Technical Education, including those for business and industry service participation and mechanisms for service funding through all appropriate federal, state, local, and private resources;
- (g) Require and monitor compliance with Cabinet for Workforce Development administrative regulations and policies; and
- (h) Develop and implement performance measures and benchmarks.

Section 47. KRS 154.12-205 is amended to read as follows:

- (1) There is hereby created an independent, de jure corporation of the Commonwealth with all the general corporate powers incidental thereto which shall be known as the "Bluegrass State Skills Corporation." The corporation shall be a political subdivision of the state and shall be attached to the Cabinet for Economic Development.
- (2) The corporation is created and established to improve and promote the employment opportunities of the citizens of the Commonwealth by creating and expanding programs of skills training and education which meet the needs of business and industry.
- (3) The corporation shall be governed by a board of directors consisting of eighteen (18) members, including the following six (6) ex officio members: the commissioner of the Department of Employment Services, the secretary of the Cabinet for Economic Development, the secretary of the Labor Cabinet, the chairman of the Council on Higher Education, the secretary of the Cabinet for Workforce Development and the president~~chancellor~~ of the ~~University of~~ Kentucky Community and Technical

- 1 College System. The twelve (12) other members shall be appointed by the Governor,
 2 including persons having knowledge and experience in business and industry, skills
 3 training, education, and minority employment; and at least one (1) of the twelve (12)
 4 members shall be appointed to represent labor organizations. Each member
 5 appointed by the Governor shall serve for a term of four (4) years, except that in
 6 making the initial appointments, the Governor shall appoint three (3) members to
 7 serve for one (1) year, three (3) members to serve for two (2) years, three (3)
 8 members to serve for three (3) years, and three (3) members to serve for four (4)
 9 years. All succeeding appointments shall be for a term of four (4) years.
- 10 (4) In the event of a vacancy, the Governor may appoint a replacement member who
 11 shall hold office during the remainder of the term so vacated.
- 12 (5) Any member may be removed from his appointment by the Governor for cause.
- 13 (6) The Governor shall designate a member of the board as its chairman.
- 14 (7) Members of the board of directors of the corporation, except for ex officio members,
 15 shall be entitled to compensation for their services in the amount of one hundred
 16 dollars (\$100) for each regular or special called meeting of the corporation, and all
 17 members shall be entitled to reimbursement for any actual and necessary expenses
 18 incurred in the performance of their duties.
- 19 (8) The board of directors of the corporation shall annually elect a vice chairman, a
 20 secretary, and a treasurer. The secretary shall keep a record of the proceedings of
 21 the corporation and shall be custodian of all books, documents, and papers filed with
 22 the corporation, and its official seal.
- 23 (9) The secretary of the Cabinet for Economic Development shall hire an executive
 24 director and establish his salary. The executive director shall be the chief
 25 administrative and operational officer of the corporation and shall direct and
 26 supervise its administrative affairs and general management subject to the policies,
 27 control, and direction of the board.

- 1 (10) All officers and employees of the corporation having access to its funding shall give
 2 bond to the corporation, at its expense, in the amount and with the surety as the
 3 board may prescribe.

4 Section 48. KRS 154.47-055 is amended to read as follows:

- 5 (1) Notwithstanding the provisions of KRS Chapter 151B, on or before January 1,
 6 1995, the University of Kentucky, Eastern Kentucky University, Morehead State
 7 University, and the Kentucky Community and Technical College System ~~of the~~
 8 ~~University of Kentucky, and the Kentucky Tech System~~ in conjunction with the
 9 corporation shall develop an integrated program and curricula for workforce training
 10 in the area of secondary wood products manufacturing, including nondegree and
 11 degree courses of study. Neither the corporation nor the Cabinet for Economic
 12 Development or any of its agencies or instrumentalities shall provide funding for
 13 training, education or any other purpose, to any state agency or institution which
 14 provides workforce training or education relating to wood products manufacturing,
 15 unless the agency or institution complies with the integrated program and curricula
 16 developed in accordance with this section.

- 17 (2) No state agency provider of workforce training shall reduce existing funding for
 18 wood industry related training to offset funding received from the corporation under
 19 the integrated training program.

- 20 (3) The integrated workforce training program and the curricula shall be designed in a
 21 manner that shall provide post-secondary, nondegree and degree level students with
 22 the contemporary skills needed for employment in the secondary wood industry.

23 Section 49. KRS 156.029 is amended to read as follows:

- 24 (1) There is hereby established a Kentucky Board of Education, which shall consist of
 25 eleven (11) members appointed by the Governor and confirmed by the Senate and
 26 the House of Representatives of the General Assembly, with the president ~~executive~~
 27 ~~director~~ of the Council on Postsecondary ~~Higher~~ Education serving as an ex

- 1 officio nonvoting member. Seven (7) members shall represent each of the Supreme
 2 Court districts as established by KRS 21A.010, and four (4) members shall represent
 3 the state at large. Each of the appointed members shall serve for a four (4) year
 4 term, except the initial appointments shall be as follows: the seven (7) members
 5 representing Supreme Court districts shall serve a term which shall expire on April
 6 14, 1994; and the four (4) at-large members shall serve a term which shall expire on
 7 April 14, 1992. Subsequent appointments shall be submitted to the Senate and to the
 8 House of Representatives for confirmation in accordance with KRS 11.160. Each
 9 appointment by the Governor shall be agreed upon by both chambers in order for the
 10 person to be confirmed. Each confirmed appointee shall take office on April 15.
- 11 (2) Appointments shall be made without reference to occupation, political affiliation, or
 12 similar consideration. No member at the time of his appointment or during the term
 13 of his service shall be engaged as a professional educator. Pursuant to KRS 63.080,
 14 a member shall not be removed except for cause.
- 15 (3) A vacancy in the membership of the board shall be filled by the Governor for the
 16 unexpired term with the consent of the Senate and the House of Representatives. In
 17 the event that the General Assembly is not in session at the time of the appointment,
 18 the consent of the Senate and the House of Representatives shall be obtained during
 19 the time the General Assembly next convenes.
- 20 (4) At the first regular meeting of the board in each fiscal year, a chairperson shall be
 21 elected from its voting membership.
- 22 (5) The members shall be reimbursed for actual and necessary expenses incurred in the
 23 performance of their duties.
- 24 (6) The commissioner of education shall serve as the executive secretary to the board.
- 25 (7) The primary function of the board shall be to develop and adopt policies and
 26 administrative regulations, with the advice of the Local Superintendents Advisory
 27 Council, by which the Department of Education shall be governed in planning,

1 coordinating, administering, supervising, operating, and evaluating the educational
 2 programs, services, and activities within the Department of Education which are
 3 within the jurisdiction of the board.

4 Section 50. KRS 156.666 is amended to read as follows:

5 (1) There is established the Council for Education Technology which shall be an
 6 advisory group attached to the Kentucky Board of Education. The council shall
 7 develop a master plan for education technology.

8 (2) The council shall consist of the Commissioner of the Department of Information
 9 Systems, the Secretary of the Education, Arts, and Humanities Cabinet, and the
 10 president~~[Executive Director]~~ of the Council on Postsecondary~~[Higher]~~ Education
 11 who shall serve as ex officio voting members and eight (8) voting members
 12 appointed by the Governor within thirty (30) days after April 3, 1992. The members
 13 shall be as follows:

- 14 (a) One (1) member of the Kentucky Board of Education;
- 15 (b) One (1) member of the House of Representatives;
- 16 (c) One (1) member of the Senate; and
- 17 (d) Five (5) citizens of the Commonwealth.

18 A majority of the membership present at any meeting shall constitute a quorum for
 19 the official conduct of business.

20 (3) Members shall be appointed for four (4) year terms and may be reappointed. The
 21 initial members of the board shall be appointed as follows: two (2) members shall be
 22 appointed for terms of two (2) years; two (2) members shall be appointed for terms
 23 of three (3) years; and four (4) members shall be appointed for terms of four (4)
 24 years. Members shall receive no compensation but may be reimbursed for actual and
 25 necessary expenses in accordance with state laws and regulations.

26 (4) Terms of members serving pursuant to KRS 156.665 shall terminate on April 3,
 27 1992.

- 1 (5) Immediately upon receiving notice of the appointment of all members, the chief state
2 school officer shall call an organizational meeting. At this meeting the chief state
3 school officer shall preside as temporary chairman, and the council shall elect from
4 among the members a chairman and any other officers it deems necessary, and define
5 the duties of the officers.
- 6 (6) Meetings shall be held at least two (2) times per year at a time and place designated
7 by the chairman. The Department of Education shall provide staff support for the
8 council.
- 9 (7) The duties and responsibilities of the council shall include, but not be limited to, the
10 following:
- 11 (a) Developing a long-range master plan for the efficient and equitable use of
12 technology at all levels from primary school through higher education,
13 including vocational and adult education. The plan shall focus on the
14 technology requirements of classroom instruction, literacy laboratories, student
15 record management, financial and administrative management, distance
16 learning, and communications as they relate to the Commonwealth's outcome
17 goals for students as described in KRS 158.6451;
- 18 (b) Creating, overseeing, and monitoring a well-planned and efficient statewide
19 network of technology services designed to meet the educational and
20 informational needs of the schools;
- 21 (c) Working with private enterprise to encourage the development of technology
22 products specifically designed to answer Kentucky's educational needs;
- 23 (d) Encouraging an environment receptive to technological progress in education
24 throughout the Commonwealth;
- 25 (e) Recommending a policy governing the granting of right of ways for the laying
26 of fiber optic cable in a manner to insure that all of Kentucky's citizens are
27 served equitably, that the fiber optic system is available for educational

1 technology purposes, and that the private and public sectors are partners in the
2 venture; and

- 3 (f) Receiving, holding, investing, and administering all funds received by the
4 council for the purpose of carrying out its duties and responsibilities, as set out
5 in this section. These funds shall be spent with the aim of achieving equality of
6 education throughout the Commonwealth.

7 Section 51. KRS 156.671 is amended to read as follows:

8 The chief state school officer shall convene the Commissioner of the Department for
9 Information Systems, one (1) representative of Kentucky Educational Television, one (1)
10 representative of the Council on Postsecondary~~Higher~~ Education, and one (1)
11 representative of the Department of Education to create a strategic plan for distance
12 learning in the Commonwealth and submit it to the Legislative Research Commission by
13 July 1, 1993. The plan shall set forth the Commonwealth's vision for developing a long-
14 term and statewide distance learning strategy. It shall include, but not be limited to,
15 definitions of the types of distance learning delivery systems, an evaluation process for
16 determining and certifying the educational and cost effectiveness of each type of delivery
17 system, comparisons of the various types of delivery systems, and recommendations for
18 implementation.

19 Section 52. KRS 156.740 is amended to read as follows:

- 20 (1) The Interagency Commission on Educational and Job Training Coordination is
21 hereby created. Its membership shall be composed of the following individuals,
22 serving in an ex-officio capacity:

- 23 (a) The chairman of the Council on Postsecondary~~Higher~~ Education;
24 (b) The president~~executive director~~ of the Council on Postsecondary~~Higher~~
25 Education;
26 (c) The chairman of the Kentucky Board of Education
27 (d) The commissioner of the Department of Education;

- 1 (e) The chairman of the State Board for Adult and Technical Education;
- 2 (f) The secretary of the Cabinet for Workforce Development; and
- 3 (g) The chairman of the Board for the Kentucky Higher Education Assistance
- 4 Authority; and

5 **(h) The president of the Kentucky Community and Technical College System**

- 6 (2) Members shall serve by virtue of their office. The chairman of the commission shall
- 7 be chosen annually by a simple majority vote of the members. A quorum for
- 8 conducting business shall be one-half (1/2) of the members plus one (1). The chair
- 9 shall rotate annually, so that no person or agency holds the chairmanship in
- 10 successive years.

11 Section 53. KRS 156.760 is amended to read as follows:

- 12 (1) As used in KRS 156.760 to 156.766, "commission" means the Kentucky Community
- 13 Service Commission.
- 14 (2) The Kentucky Community Service Commission is created and shall be attached to
- 15 the Council on Postsecondary~~Higher~~ Education for administrative purposes only.
- 16 Initial temporary staffing for the commission shall be provided jointly by existing
- 17 staff of the Council on Postsecondary~~Higher~~ Education and the Department of
- 18 Education. A director and other appropriate staff shall be hired by the commission
- 19 when federal funds become available.

20 Section 54. KRS 158.646 is amended to read as follows:

- 21 (1) The Kentucky Institute for Education Research Board is hereby created.
- 22 (2) The board shall establish a corporation which can qualify and obtain status under
- 23 Section 501(c)(3) of the Internal Revenue Code. The purpose and mission of the
- 24 corporation shall be to solicit and raise funds through private foundations, grants,
- 25 and government agencies to support the independent evaluation of the Kentucky
- 26 Education Reform Act and related activities. The corporation shall serve as a

1 stimulus and clearinghouse for Kentucky Education Reform Act related research
2 projects.

3 (3) (a) The board shall cause an in-depth evaluation of the impact of Kentucky
4 Education Reform Act to be performed. This evaluation shall include, but not
5 be limited to, the effect of the reforms on students, individual schools, school
6 systems, and educators. The evaluation shall also include an analysis of the
7 reliability and validity of the changes in scores between baseline scores and
8 scores from subsequent administrations of tests.

9 (b) The board shall make recommendations to the citizens and elected leaders of
10 the Commonwealth concerning the enhancement of the benefits of the
11 Kentucky Education Reform Act and the expansion and improvement of
12 services to students.

13 (c) The board shall establish an organizational capacity to:

- 14 1. Develop and manage implementation of a research design to include the
15 issuing of requests for proposals; awarding of contracts; and general
16 oversight and coordination of the quality and quantity of research;
- 17 2. Conduct research in accordance with a comprehensive research design
18 and establish priorities; and
- 19 3. Design and implement a comprehensive educational data information
20 system.

21 (d) The board shall prepare an annual report of its activities and the activities of
22 the corporation and forward copies to the Governor, the Legislative Research
23 Commission, the Kentucky Board of Education, and the Council on
24 Postsecondary~~Higher~~ Education and make copies available to the citizens of
25 the Commonwealth.

26 (e) The board shall hire an executive officer and other necessary personnel to carry
27 out its responsibilities.

(f) The board shall consist of ten (10) members who shall initially be appointed to two (2) year terms by the Governor. The board shall select from its membership a chairperson and establish bylaws, including bylaws governing board membership and length of terms. Upon expiration of the initial appointments and adoption of bylaws governing membership and length of terms by the board, the board shall be self-perpetuating, and the appointment and length of terms shall be made in accordance with the board's bylaws. Vacancies which occur before the expiration of the initial appointments shall be filled by the Governor for the remaining term of the vacancy.

Section 55. KRS 158.799 is amended to read as follows:

The Kentucky Science and Technology Council, Inc., shall, in cooperation with the Department for Education and the Council on Postsecondary~~Higher~~ Education, develop and conduct a competition among Kentucky middle and high school students for the purpose of choosing a Kentuckian of national or international acclaim as a scientist, mathematician, or engineer for whom the programs developed under KRS 158.798 shall be named.

Section 56. KRS 160.730 is amended to read as follows:

- (1) Parents or eligible students may challenge the content of a student record to ensure that the record or report is not inaccurate, misleading, or otherwise in violation of privacy or other rights of the student. The right to challenge shall also provide the opportunity for rebuttal to, and the correction, deletion, or expunction of, any inaccurate, misleading, or inappropriate information.
- (2) A challenge to the record may take the form of an informal discussion among the parents, student, and school officials. Any agreement between these parties shall be reduced in writing, signed by all parties, and placed in the student's records. If no agreement can be reached, either party may request a formal hearing to the challenge which shall be conducted in accordance with procedures established by rules and

1 regulations of the Department of Education and the Council on
 2 Postsecondary~~Higher~~ Education for educational institutions under their
 3 jurisdiction. The~~Such~~ rules and regulations shall provide that a formal hearing be
 4 conducted within a reasonable time after the request for a hearing; and an official of
 5 the educational institution who has no direct interest in the outcome of the challenge
 6 shall conduct the hearing and render a decision on the challenge within a reasonable
 7 time after the hearing. All parties to the challenge shall be afforded a full and fair
 8 opportunity to present evidence relevant to the issues raised. Furthermore, school
 9 officials shall take the necessary action to implement the decision.

10 Section 57. KRS 161.027 is amended to read as follows:

- 11 (1) The Education Professional Standards Board, pursuant to KRS 161.028, shall by
 12 administrative regulation establish requirements for a preparation program in
 13 institutions of higher education for all new applicants for principal certification and
 14 establish criteria for admission to the program.
- 15 (2) The Education Professional Standards Board and the Council on
 16 Postsecondary~~Higher~~ Education shall evaluate the preparation programs for
 17 principals and maintain only those institutional programs that can demonstrate both
 18 the quality and the capability to enroll adequate numbers of students to justify the
 19 resources necessary for maintenance of a quality program.
- 20 (3) The Education Professional Standards Board shall develop or select appropriate
 21 assessments for applicants seeking certification as principals, including:
 - 22 (a) A generic assessment to assure an acceptable level of communication skills,
 23 general knowledge, and professional education concepts related to, but not
 24 limited to, instructional leadership, management, and supervisory skills; and
 - 25 (b) A specialized assessment on the current instructional and administrative
 26 practices in Kentucky public education.

- 1 (4) The Education Professional Standards Board shall establish the minimum score for
2 successful completion of assessments and shall establish a reasonable fee to be
3 charged applicants for the actual cost of administration of the assessments. The
4 Education Professional Standards Board shall provide for confidentiality of
5 assessment scores.
- 6 (5) The Education Professional Standards Board shall develop an internship program
7 which shall provide for the supervision, assistance, and assessment of beginning
8 principals and assistant principals. The internship shall not be required of applicants
9 who have completed, within a ten (10) year period prior to making application, at
10 least two (2) years of successful experience as a principal in a school situation. The
11 Education Professional Standards Board, by administrative regulation, shall establish
12 the internship program.
- 13 (6) The certification of principals shall require the successful completion of the
14 examinations required by subsection (3) of this section. A one (1) year certificate
15 may be given to a person who has:
- 16 (a) A comparable certificate from another state; or
17 (b) All other qualifications except the assessments and is selected as a principal in
18 a district where the superintendent certifies to the Education Professional
19 Standards Board that there is a limited number of applicants to meet the
20 requirements of the school council selecting a principal.
- 21 Upon successful completion of the assessments, a certificate shall be issued for an
22 additional four (4) years.
- 23 (7) Upon successful completion of the approved preparation program and the
24 assessments, the chief state school officer shall issue to the applicant a statement of
25 eligibility for internship valid for five (5) years. If the applicant does not participate
26 in an internship program within the five (5) year period, the applicant shall
27 reestablish eligibility by repeating and passing the assessments in effect at that time.

1 Upon obtaining employment for an internship position as principal or assistant
 2 principal within the period of eligibility, the applicant shall be issued the appropriate
 3 one (1) year certificate for the position.

4 (8) All applicants for principal certification, after successfully completing the
 5 assessments, shall successfully complete the internship program described in
 6 subsection (5) of this section for certification as a principal. If the principal's
 7 internship performance is judged to be less than satisfactory pursuant to
 8 administrative regulations developed by the Education Professional Standards
 9 Board, the principal applicant shall be provided with an opportunity to repeat the
 10 internship one (1) time if the applicant is employed by a school district as a principal
 11 or assistant principal.

12 (9) Following successful completion of the internship program, the principal's certificate
 13 shall be extended for four (4) years. Renewal of the certificate shall require the
 14 completion of a continuing education requirement as prescribed by the Education
 15 Professional Standards Board.

16 Section 58. KRS 161.028 is amended to read as follows:

17 (1) Beginning July 15, 1990, there shall be an Education Professional Standards Board,
 18 with the authority and responsibility to:

19 (a) Establish standards and requirements for obtaining and maintaining a teaching
 20 certificate;

21 (b) Set standards for, approve, and evaluate college, university, and school district
 22 programs for the preparation of teachers and other professional school
 23 personnel;

24 (c) Issue, renew, suspend, and revoke teaching certificates;

25 (d) Develop specific guidelines to follow upon receipt of an allegation of sexual
 26 misconduct by an employee certified by the Education Professional Standards
 27 Board. The guidelines shall include investigation, inquiry, and hearing

- 1 procedures which ensure the process does not revictimize the alleged victim or
 2 cause harm if an employee is falsely accused;
- 3 (e) Receive, along with investigators hired by the Education Professional
 4 Standards Board, training on the dynamics of sexual misconduct of
 5 professionals, including the nature of this abuse of authority, characteristics of
 6 the offender, the impact on the victim, the possibility and the impact of false
 7 accusations, investigative procedures in sex offense cases, and effective
 8 intervention with victims and offenders;
- 9 (f) Maintain data and submit reports to the Governor and the Legislative Research
 10 Commission concerning employment trends and performance of certificated
 11 personnel and the quality of professional preparation programs. The board
 12 shall study the problem of the declining pool of minority teachers in the
 13 Commonwealth and submit recommendations for increasing the number of
 14 minority teachers to the 1992 Regular Session of the General Assembly;
- 15 (g) Reduce and streamline the credential system to allow greater flexibility in
 16 staffing local schools while maintaining standards for teacher competence;
- 17 (h) Develop a professional code of ethics;
- 18 (i) Select and evaluate the executive secretary to the board;
- 19 (j) Approve the biennial budget request; and
- 20 (k) Charge reasonable fees for the issuance, reissuance, and renewal of certificates
 21 that are established by administrative regulation. The proceeds shall be used to
 22 meet a portion of the costs of the issuance, reissuance, and renewal of
 23 certificates, and the costs associated with revoking certificates.
- 24 (2) (a) The board shall be composed of seventeen (17) members. The chief state
 25 school officer and the president~~[executive director]~~ of the Council on
 26 Postsecondary~~[Higher]~~ Education, or their designees, shall serve as ex officio

1 voting members. The Governor shall make the following fifteen (15)
 2 appointments:

- 3 1. Nine (9) members who shall be teachers representative of elementary,
 4 middle or junior high, secondary, special education, and secondary
 5 vocational classrooms;
- 6 2. Two (2) members who shall be school administrators, one (1) of whom
 7 shall be a school principal;
- 8 3. One (1) member representative of local boards of education; and
- 9 4. Three (3) members representative of institutions of higher education, two
 10 (2) of whom shall be deans of colleges of education at state-supported
 11 universities and one (1) of whom shall be the chief academic officer of an
 12 independent not-for-profit college or university.

13 (b) For the initial appointments, the Governor shall designate four (4) members to
 14 serve a term of four (4) years; three (3) members to serve a term of three (3)
 15 years; three (3) members to serve a term of two (2) years; three (3) members
 16 to serve a term of one (1) year.

17 (c) A vacancy on the board shall be filled in the same manner as the original
 18 appointment within sixty (60) days after it occurs. A member shall continue to
 19 serve until his successor is named. Any member who, through change of
 20 employment status or residence, or for other reasons, no longer meets the
 21 criteria for the position to which he was appointed shall no longer be eligible to
 22 serve in that position.

23 (d) Members of the board shall serve without compensation, but shall be permitted
 24 to attend board meetings and perform other board business without loss of
 25 income or other benefits.

26 (e) A state agency or any political subdivision of the state, including a school
 27 district, required to hire a substitute for a member of the board who is absent

1 from his employment while performing board business shall be reimbursed by
2 the board for the actual amount of any costs incurred.

3 (f) A chairman shall be elected by and from the membership. A member shall be
4 eligible to serve no more than three (3) one (1) year terms in succession as
5 chairman. The executive secretary appointed by the chief state school officer
6 from the Department of Education staff shall keep records of proceedings.
7 Regular meetings shall be held at least semiannually on call of the chairman.
8 The Department of Education shall provide staff and support for the board.

9 (g) To carry out the functions relating to its duties and responsibilities, the board is
10 empowered to receive donations and grants of funds; to appoint consultants as
11 needed; and to sponsor studies, conduct conferences, and publish information.

12 (3) No later than June, 1997, the board shall develop and submit to the Governor and
13 the Legislative Research Commission plans for the operation of the board after July
14 15, 1998, including separation of administrative attachment to the Department of
15 Education.

16 (4) The Education Professional Standards Board shall be the successor to the State
17 Board for Elementary and Secondary Education for purposes of performing the
18 duties authorized in KRS 161.027, 161.028, 161.030, 161.042, 161.044, 161.046,
19 161.048, 161.049, 161.100, 161.115, 161.120, 161.124, and 161.126. Rules,
20 administrative regulations, and procedures relating to these duties shall not lapse and
21 shall continue in effect until repealed or amended by the Education Professional
22 Standards Board.

23 Section 59. KRS 161.165 is amended to read as follows:

24 (1) The Education Professional Standards Board in cooperation with the Kentucky
25 Board of Education and the Council on Postsecondary~~Higher~~ Education shall
26 develop a coordinated, strategic plan for increasing the number of minority teachers

1 in the Commonwealth. The plan shall include, but not be limited to,
2 recommendations on ways to:

- 3 (a) Identify methods for increasing the percentage of minority educators in
4 proportion to the number of minority students;
- 5 (b) Establish programs to identify, recruit, and prepare as teachers minority
6 persons who have already earned college degrees in other job fields;
- 7 (c) Create awareness among secondary school guidance counselors of the need for
8 minority teachers.

9 (2) Upon completion of the plan, the Education Professional Standards Board shall
10 promulgate administrative regulations to establish pilot programs that increase the
11 percentage of minorities who enter and successfully complete a four (4) year teacher
12 preparation program and provide support to minority students in meeting qualifying
13 requirements for students entering a teacher preparation program at institutions of
14 higher education.

15 (3) The Education Professional Standards Board shall submit a report to the Interim
16 Joint Committee on Education no later than December 1, 1993, that evaluates the
17 results of these efforts and includes accompanying recommendations to establish a
18 continuing program for increasing the number of minorities in teacher education.

19 Section 60. KRS 161.220 is amended to read as follows:

20 As used in KRS 161.230 to 161.716 and KRS 161.990:

- 21 (1) "Retirement system" means the arrangement provided for in KRS 161.230 to
22 161.716 and KRS 161.990 for payment of allowances to members;
- 23 (2) "Retirement allowance" means the amount annually payable during the course of his
24 natural life to a member who has been retired by reason of service;
- 25 (3) "Disability allowance" means the amount annually payable to a member retired by
26 reason of disability;

- 1 (4) "Member" means the chief state school officer, deputy commissioners, associate
 2 commissioners, and all division directors in the State Department of Education, and
 3 any regular or special teacher, or professional occupying a position requiring
 4 certification or graduation from a four (4) year college or university, as a condition
 5 of employment, and who is employed by public boards, institutions, or agencies as
 6 follows:
- 7 (a) Local boards of education;
 - 8 (b) Eastern Kentucky University, Kentucky State University, Morehead State
 9 University, Murray State University, Western Kentucky University, and any
 10 community~~[-or-junior]~~ colleges established under the control of these
 11 universities, and the Kentucky Community and Technical College System
 12 and any community colleges or technical institutions established under its
 13 control;
 - 14 (c) State secondary~~[-and]~~ area vocational education schools or area technology
 15 centers, Kentucky School for the Blind, and Kentucky School for the Deaf;
 - 16 (d) The State Department of Education, other public education agencies as created
 17 by the General Assembly, and those members of the administrative staff of the
 18 Teachers' Retirement System of the State of Kentucky whom the board of
 19 trustees may designate by administrative regulation;
 - 20 (e) Regional cooperative organizations formed by local boards of education or
 21 other public educational institutions listed in this subsection, for the purpose of
 22 providing educational services to the participating organizations;
 - 23 (f) All full-time members of the staffs of the Kentucky Association of School
 24 Administrators, Kentucky Education Association, Kentucky Vocational
 25 Association, Kentucky High School Athletic Association, Kentucky Academic
 26 Association, and the Kentucky School Boards Association who were members
 27 of the Kentucky Teachers' Retirement System or were qualified for a position

covered by the system at the time of employment by the association in the event that the board of directors of the respective association petitions to be included. The board of trustees of the Kentucky Teachers' Retirement System may designate by resolution whether part-time employees of the petitioning association are to be included. The state shall make no contributions on account of these employees, either full-time or part-time. The association shall make the employer's contributions, including any contribution that is specified under KRS 161.550. The provisions of this paragraph shall be applicable to persons in the employ of the associations on or subsequent to July 1, 1972;

- (g) The Department for Adult Education and Literacy;
- (h) The Department for Technical Education;
- (i) The Office of General Counsel within the Office of the Secretary of the Cabinet for Workforce Development;
- (j) The Office for Policy, Budget, and Personnel within the Office of the Secretary of the Cabinet for Workforce Development;
- (k) The Office for Administrative Services within the Office of the Secretary of the Cabinet for Workforce Development;
- (l) The Department of Vocational Rehabilitation;
- (m) The Kentucky Educational Collaborative for State Agency Children;
- (n) The Governor's Scholars Program; and
- (o) Any person who is retired for service from the retirement system and is reemployed by an employer identified in this subsection in a position that the board of trustees deems to be a member.

- (5) "Present teacher" means any teacher who was a teacher on or before July 1, 1940, and became a member of the retirement system created by 1938 (1st Extra. Sess.) Ky. Acts ch. 1, on the date of the inauguration of the system or within one (1) year after that date, and any teacher who was a member of a local teacher retirement

1 system in the public elementary or secondary schools of the state on or before July 1,
 2 1940, and continued to be a member of the system until he, with the membership of
 3 the local retirement system, became a member of the state Teachers' Retirement
 4 System or who becomes a member under the provisions of KRS 161.470(4);

5 (6) "New teacher" means any member not a present teacher;

6 (7) "Prior service" means the number of years during which the member was a teacher in
 7 Kentucky prior to July 1, 1941, except that not more than thirty (30) years' prior
 8 service shall be allowed or credited to any teacher;

9 (8) "Subsequent service" means the number of years during which the teacher is a
 10 member of the Teachers' Retirement System after July 1, 1941;

11 (9) "Final average salary" means the average of the five (5) highest annual salaries which
 12 the member has received for service in a covered position and on which the member
 13 has made contributions, or on which the public board, institution, or agency has
 14 picked-up employee contributions pursuant to KRS 161.540(2), or the average of
 15 the five (5) years of highest salaries as defined in KRS 61.680(2)(a), which shall
 16 include picked-up employee contributions. However, if any of the five (5) highest
 17 annual salaries used to calculate the final average salary was paid within the three (3)
 18 years immediately prior to the date of the member's retirement, the amount of salary
 19 to be included for each of those three (3) years for the purpose of calculating the
 20 final average salary shall be limited to the lesser of:

21 (a) The member's actual salary; or

22 (b) The member's annual salary that was used for retirement purposes during each
 23 of the prior three (3) years, plus a percentage increase equal to the percentage
 24 increase received by all other members employed by the public board,
 25 institution, or agency, or for employees of school districts, the highest
 26 percentage increase received by members on any one (1) rank and step of the

1 salary schedule of the school district. The increase shall be computed on the
2 salary that was used for retirement purposes.

3 This limitation shall not apply if the member receives an increase in salary in a
4 percentage exceeding that received by the other members, and this increase was
5 accompanied by a corresponding change in position or in length of employment. This
6 limitation shall also not apply to the payment to a member for accrued annual leave
7 or accrued sick leave which is authorized by statute and which shall be included as
8 part of a retiring member's annual compensation for the member's last year of active
9 service;

10 (10) "Annual compensation" means the total salary received by a member as
11 compensation for all services performed in employment covered by the retirement
12 system during a fiscal year. Annual compensation shall not include payment for any
13 benefit or salary adjustments made by the public board, institution, or agency to the
14 member or on behalf of the member which is not available as a benefit or salary
15 adjustment to other members employed by that public board, institution, or agency.
16 The board of trustees shall determine if any benefit or salary adjustment qualifies as
17 annual compensation;

18 (11) "Age of member" means the age attained on the first day of the month immediately
19 following the birthdate of the member. This definition is limited to retirement
20 eligibility and does not apply to tenure of members;

21 (12) "Age of entrance" means the age attained at the last birthday of any member at the
22 time of the establishment of the retirement system, if the member was a member
23 subject to membership in the system at that time. Otherwise it means the age attained
24 as of July 1 of the fiscal year in which he first becomes a member of the retirement
25 system. Any birthday occurring on February 29 shall be considered as occurring on
26 February 28;

27 (13) "Regular interest" means interest at three percent (3%) per annum;

- 1 (14) "Accumulated contributions" means the contributions of a member to the teachers'
 2 savings fund, including picked-up employee contributions as described in KRS
 3 161.540(2), plus accrued regular interest;
- 4 (15) "Annuitant" means a person who receives a retirement allowance or a disability
 5 allowance;
- 6 (16) "Local retirement system" means any teacher retirement or annuity system created in
 7 any public school district in Kentucky in accordance with the laws of Kentucky;
- 8 (17) "Fiscal year" means the twelve (12) month period from July 1 to June 30;
- 9 (18) "Public schools" means the schools and other institutions mentioned in subsection
 10 (4) of this section;
- 11 (19) "Dependent" as used in KRS 161.520 and 161.525 means a person who was
 12 receiving, at the time of death of the member, at least one-half (1/2) of the support
 13 from the member for maintenance, including board, lodging, medical care, and
 14 related costs;
- 15 (20) "Active contributing member" means a member currently making contributions to
 16 the Teachers' Retirement System, who made contributions in the next preceding
 17 fiscal year, for whom picked-up employee contributions are currently being made, or
 18 for whom these contributions were made in the next preceding fiscal year; and
- 19 (21) "Regular teacher, supervisor, or administrator," when used to determine eligibility
 20 for membership in the retirement system, means a professional employee holding a
 21 position which requires services on a continuing basis equal to at least seven-tenths
 22 (7/10) of normal full-time service on a daily or weekly basis.
- 23 Section 61. KRS 161.567 is amended to read as follows:
- 24 (1) An optional retirement plan is hereby authorized for designated employees of public
 25 postsecondary education institutions~~[- of higher education]~~ who are also eligible for
 26 membership in the Kentucky Teachers' Retirement System pursuant to Section 60 of
 27 this Act~~[KRS 161.220(4)(b) and 161.470(1)]~~. The purpose of the optional

retirement plan shall be to provide suitable retirement and death benefits, while affording the maximum portability of these benefits to the eligible employees as an alternative to membership in the retirement system. Benefits shall be provided by the purchase of annuity contracts, fixed or variable in nature, or a combination thereof, at the option of the participant. The specific provisions of annuity contracts with respect to the benefits payable to members and their beneficiaries shall prevail over specific provisions relating to the same subjects found in KRS 161.220 to 161.716, other than this section.

(2) The boards of regents of those institutions identified in KRS 161.220(4)(b) shall select no less than two (2) but no more than three (3) companies from which to purchase contracts under the optional retirement plan. As criteria for this selection, the boards of regents shall consider, among other things, the following:

- (a) The portability of the contracts offered or to be offered by a company, based on the number of states in which the company provides contracts under similar plans;
- (b) The efficacy of the contracts in the recruitment and retention of employees for the various state public postsecondary education institutions~~[of higher education]~~;
- (c) The nature and extent of the rights and benefits to be provided by the contracts for participating employees and their beneficiaries;
- (d) The relation of the rights and benefits to the amount of contributions required;
- (e) The suitability of the rights and benefits to the needs and interests of eligible employees and the various state public postsecondary education institutions~~[of higher education]~~ and
- (f) The ability of the designated companies to provide the rights and benefits under those contracts.

Section 62. KRS 161.568 is amended to read as follows:

1 (1) Eligibility to participate in the optional retirement plan shall be determined by the
 2 board of regents of each of the state public postsecondary education institutions~~[-of~~
 3 ~~higher education]~~ identified in KRS 161.220(4)(b). The employees of these
 4 institutions of higher education who are initially employed on or after the
 5 implementation date of the optional retirement plan may make an irrevocable
 6 election to participate in the optional retirement plan within thirty (30) days after
 7 their employment date. No member of the Kentucky Teachers' Retirement System
 8 who terminates employment and is subsequently reemployed by the same or another
 9 public postsecondary education institution~~[-of higher education]~~ which participates
 10 in the Kentucky Teachers' Retirement System may be eligible to elect to participate
 11 in the optional retirement plan unless the date of reemployment is at least six (6)
 12 months after the date of termination. These elections shall be made in writing and
 13 filed with the appropriate officer of the employer institution.

14 (2) Elections of eligible employees hired on or after the implementation date of the
 15 optional retirement plan at their employer institution shall be effective on the date of
 16 their employment. If an eligible employee hired subsequent to the implementation
 17 date at the employer institution fails to make the election provided for in this section,
 18 he shall become a member of the regular retirement plan of the Kentucky Teachers'
 19 Retirement System.

20 Section 63. KRS 164.005 is amended to read as follows:

21 (1) There is established the Governor's Postsecondary~~[-Higher]~~ Education Nominating
 22 Committee which shall consist of seven (7) members representing each of the
 23 Supreme Court districts who shall be appointed by the Governor with the consent of
 24 the House of Representatives and the Senate. If the General Assembly is not in
 25 session at the time of appointment, the consent of the General Assembly shall be
 26 obtained during the time the General Assembly next convenes.

- 1 (2) (a) In order to be eligible to serve on the Governor's Postsecondary~~[Higher]~~
2 Education Nominating Committee, a member at the time of appointment shall
3 have no conflict of interest pursuant to KRS 45A.340. In addition, no member
4 shall have a relative employed by a public postsecondary institution~~[of higher~~
5 ~~education]~~, the Council on Postsecondary~~[Higher]~~ Education, the Kentucky
6 Higher Education Assistance Authority, the Kentucky Higher Education
7 Student Loan Corporation, or the Kentucky Authority for Educational
8 Television during his tenure on the committee. No more than two (2) persons
9 holding an undergraduate degree from the same institution of higher education
10 shall be members of the committee.
- 11 (b) The Governor shall make the appointments so as to reflect no less than
12 proportional representation of the minority racial composition of the
13 Commonwealth.
- 14 (c) In selecting the members of the committee, the Governor shall solicit
15 recommendations from each of the following:
- 16 1. Advisory Conference of Presidents;
 - 17 2. Council on Postsecondary~~[Higher]~~ Education Student Advisory
18 Committee;
 - 19 3. Associations representing faculty from universities and community
20 colleges;
 - 21 4. Associations representing university and community college alumni;
 - 22 5. Higher education advocacy groups;
 - 23 6. The Kentucky Board of Education; and
 - 24 7. Associations representing business and civic interests.
- 25 (3) (a) Members of the committee representing Supreme Court districts shall serve six
26 (6) year terms and until a successor is appointed, except the initial
27 appointments shall be as follows:

- 1 1. Two (2) members shall serve a two (2) year term;
- 2 2. Two (2) members shall serve a four (4) year term; and
- 3 3. Three (3) members shall serve a six (6) year term.
- 4 (b) The terms of the original appointees shall expire on April 14 in the year
- 5 designated for the term, and the terms of each member appointed thereafter
- 6 shall begin on April 15. Appointments shall be submitted to the Senate and to
- 7 the House of Representatives for confirmation by February 1 in each year that
- 8 a regular session of the General Assembly convenes. Each appointment shall be
- 9 consented to by both chambers in order for the person to be confirmed. At the
- 10 first regular meeting of the committee each fiscal year, a chairperson shall be
- 11 selected by the membership.
- 12 (4) The members of the committee may be reimbursed for actual and necessary
- 13 expenditures incurred in the performance of their duties. The expenses of the
- 14 committee shall be paid out of the appropriation for the Governor's office.
- 15 (5) (a) The committee shall be responsible for submitting three (3) nominations from
- 16 which the Governor shall select each gubernatorial appointment to a university
- 17 governing board made pursuant to KRS 164.131, 164.321, and 164.821 and to
- 18 the Council on Postsecondary~~Higher~~ Education pursuant to KRS 164.011,
- 19 except the student member. The committee shall not make recommendations
- 20 for alumni, faculty, and staff appointments made pursuant to KRS 164.131 and
- 21 164.821 and the student appointments made pursuant to KRS 164.131,
- 22 164.321, and 164.821. If more than one (1) equivalent gubernatorial
- 23 appointment is being made to a governing board or the Council on
- 24 Postsecondary~~Higher~~ Education at the same time, the committee shall submit
- 25 a number of nominees equal to three (3) times the number of vacancies. The
- 26 Governor shall select the appointees from among the nominees.

- 1 (b) The committee shall be responsible for submitting three (3) nominations from
 2 which the Governor shall select each gubernatorial appointment to the
 3 Kentucky Authority for Educational Television made pursuant to KRS
 4 168.040, the Kentucky Higher Education Assistance Authority pursuant to
 5 KRS 164.746, and the Kentucky Higher Education Student Loan Corporation
 6 pursuant to KRS 164A.050. If more than one (1) appointment is being made at
 7 the same time, the committee shall submit a number of nominees equal to three
 8 (3) times the number of vacancies. The Governor shall select the appointees
 9 from among the nominees.
- 10 (c) Nominations shall be made thirty (30) days prior to the expiration of a term or
 11 as soon as practicable following an unforeseen vacancy. The Governor shall
 12 make the appointment within sixty (60) days following receipt of the
 13 nominations. If the Governor does not make the appointment within sixty (60)
 14 days, the committee shall select one (1) of the nominees to serve.
- 15 (6) In making its nominations, the committee shall consider the needs of the respective
 16 institutions, locate potential appointees, review candidates' qualifications and
 17 references, conduct interviews, and carry out other search and screening activities as
 18 necessary.
- 19 (7) The Governor's office staff shall provide support services for the committee.
- 20 Section 64. KRS 164.0053 is amended to read as follows:
- 21 (1) No appointing authority shall appoint himself or his spouse, or the Governor or his
 22 spouse to a ~~university~~ governing board of a postsecondary institution created
 23 pursuant to KRS 164.131, 164.321, or 164.821, or to the Council on
 24 Postsecondary~~Higher~~ Education created pursuant to KRS 164.011.
- 25 (2) No full-time employee of a public institution of postsecondary~~higher~~ education
 26 shall be eligible to serve on the Council on Postsecondary~~Higher~~ Education or on
 27 the governing board of another institution of postsecondary~~higher~~ education,

except the community and technical college faculty and nonteaching personnel~~[representative]~~ serving on the board of regents for the Kentucky Community and Technical College System~~[University of Kentucky Board of Trustees]~~.

- (3) All~~[university]~~ governing board members created pursuant to KRS 164.131, 164.321, and 164.821 and the members of the Council on Postsecondary~~[Higher]~~ Education shall have no conflict of interest pursuant to KRS 45A.340, except for compensation paid to faculty, staff, or student members.

Section 65. KRS 164.011 is amended to read as follows:

- (1) There is hereby created and established~~[shall be]~~ a Council on Postsecondary~~[Higher]~~ Education in Kentucky as an agency, instrumentality, and political subdivision of the Commonwealth and a public body corporate and politic having all powers, duties, and responsibilities as are provided to it by law, appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky. The council shall be composed of thirteen (13)~~[the chief state school officer, and seventeen (17) lay]~~ members appointed by the Governor: with the consent of the Senate and the House of Representatives pursuant to KRS 11.160. Council members appointed by the Governor shall be appointed from a list of nominees provided to the Governor under the nominating process set forth in Section 63 of this Act. If the General Assembly is not in session at the time of the appointment, persons appointed shall serve prior to confirmation, but the Governor shall seek the consent of the General Assembly at the next regular session, or special session if the matter is included in the call of the General Assembly~~[one (1) from each Supreme Court district, ten (10) at large members which shall include a student member]~~
- (2) By no later than thirty (30) days after the effective date of this Act, the Governor's Postsecondary Education Nominating Committee shall submit

nominations to the Governor as set forth in Section 63 of this Act. On making appointments to the council, the Governor shall assure broad geographical representation as well as to reflect no less than proportional representation of the political and minority racial composition of the Commonwealth. No more than two (2) members of the council shall hold an undergraduate degree from any one (1) Kentucky university and no more than two (2) members of the council shall reside in any one (1) judicial district of the Kentucky Supreme Court as of the date of the appointment. However, change in residency after the date of appointment shall not affect the ability to serve

~~[The student member shall be enrolled as a full-time student at a state public institution of higher education and shall be selected annually in the following manner: not later than June 1 of each year the eight (8) student body presidents of the four (4) year state public institutions of higher education and one (1) representative of the community college student body presidents elected from among themselves, shall elect by majority vote of the nine (9) presidents three (3) nominees to submit to the Governor. From this list of nominees, the Governor shall appoint a student member]~~

(3) *In filling any vacancies, the Governor shall ensure the continuing representation upon the council of the broad constituencies as set forth in subsection (2) of this section. Vacancies on the council shall be filled for the unexpired term in accordance with the procedures established for the original appointments*

~~[Among the lay members, there shall be at least one (1) undergraduate degree recipient from each of the state universities to be appointed by the Governor, and at least one (1) undergraduate degree recipient from an independent, nonprofit college or university licensed by the council to be appointed by the Governor, one (1) of whom may reside outside the Commonwealth. The gubernatorial appointments shall reflect no less than proportional representation of the minority racial composition of the~~

1 ~~Commonwealth. The lay members shall constitute the voting membership of the~~
 2 ~~council]~~

- 3 (4) **Each member shall serve a term**~~[After the initial appointments, the lay members~~
 4 ~~shall be appointed for regular terms]~~ of six (6) years, except~~[for the student member~~
 5 ~~who shall serve a one (1) year term.]~~ the initial appointments shall be as follows:
- 6 (a) **Three (3) appointments shall expire December 31, 1997**~~[Two (2) members~~
 7 ~~shall serve one (1) year terms, one (1) of which shall be the student member]~~
- 8 (b) **Two (2) appointments shall expire December 31, 1998**~~[Three (3) members~~
 9 ~~shall serve two (2) year terms;]~~
- 10 (c) **Two (2) appointments shall expire December 31, 1999**~~[Three (3) members~~
 11 ~~shall serve three (3) year terms]~~
- 12 (d) **Two (2) appointments shall expire December 31, 2000**~~[Three (3) members~~
 13 ~~shall serve four (4) year terms;]~~
- 14 (e) **Two (2) appointments shall expire December 31, 2001**~~[Three (3) members~~
 15 ~~shall serve five (5) year terms]~~and
- 16 (f) **Two (2) appointments shall expire December 31, 2002**~~[Three (3) members~~
 17 ~~shall serve six (6) year terms]~~
- 18 (5) Any person~~[, other than the chief state school officer,]~~ holding either an elective or
 19 appointive state office or who is a member of the governing board of any state
 20 university in Kentucky, shall be ineligible for membership or appointment on the
 21 council during his term.
- 22 (6) **The Governor shall appoint the chair and the vice chair of the council from**
 23 **among the council's membership, who shall serve at the pleasure of the**
 24 **Governor. The vice chair shall serve as chair in the absence of the chair**~~[When~~
 25 ~~the council meets to consider curricula for teacher education, three (3) persons who~~
 26 ~~are from accredited institutions of higher learning, and who have been appointed by~~
 27 ~~the executive committee of the Kentucky Association of Colleges, Secondary and~~

1 ~~Elementary Schools, shall be invited to meet with the council in an advisory~~
 2 ~~capacity]~~

3 (7) The council shall meet at least quarterly and at other times upon the call of the
 4 chair or a majority of the council.

5 (8) A quorum shall be a majority of the voting membership of the council.

6 (9) A quorum shall be required to organize and conduct the business of the council,
 7 except that an affirmative vote of seven (7) or more members of the entire
 8 council shall be required to dismiss from employment the president of the
 9 council, and to adopt or amend the state strategic postsecondary education
 10 agenda.

11 (10) Members shall not serve more than two (2) consecutive terms.

12 Section 66. KRS 164.020 is amended to read as follows:

13 The Council on ~~Postsecondary~~~~Higher~~ Education in Kentucky shall:

14 (1) Develop and implement the state strategic postsecondary education agenda with
 15 the advice and counsel of the Strategic Committee on Postsecondary Education.
 16 The council shall provide for and direct the planning process and subsequent
 17 implementation plans based on the state strategic postsecondary education
 18 agenda as provided in Section 6 of this Act;

19 (2) Revise the strategic agenda and implementation plan with the advice and counsel
 20 of the committee as set forth in Section 4 of this Act;

21 (3) Develop a system of public accountability related to the strategic agenda by
 22 evaluating the performance and effectiveness of the state's postsecondary system.
 23 The council shall prepare a report in conjunction with the accountability
 24 reporting described in Section 76 of this Act, which shall be submitted to the
 25 committee, the Governor, and the General Assembly annually;

26 (4) Review, revise, and approve the missions of the state's universities and the
 27 Kentucky Community and Technical College System;

1 (5) Establish and ensure that all postsecondary institutions in Kentucky cooperatively
 2 provide for an integrated system of postsecondary education. The council shall
 3 guard against inappropriate and unnecessary conflict and duplication by
 4 promoting transferability of credits and easy access of information among
 5 institutions;

6 (6) Engage in analyses and research to determine the overall needs of
 7 postsecondary~~[higher]~~ education in the Commonwealth~~[.]~~

8 ~~(7)(2)~~ Develop plans that may be required by federal legislation~~[and transmit to the~~
 9 ~~Governor comprehensive plans for public higher education which meet the needs of~~
 10 ~~the Commonwealth. The plans so developed shall conform to the respective~~
 11 ~~functions and duties of the state universities, the community colleges, and the~~
 12 ~~University of Kentucky, as provided by statute].~~ The council shall for all purposes of
 13 federal legislation relating to planning be considered the "single state agency" as that
 14 term may be used in federal legislation. When federal legislation requires additional
 15 representation on any "single state agency," the Council on Postsecondary~~[Higher]~~
 16 Education shall establish advisory groups necessary to satisfy federal legislative or
 17 regulatory guidelines~~[.]~~

18 ~~(8)(3)~~ Determine tuition and approve the minimum qualifications for admission to the
 19 state postsecondary education system~~[public institutions of higher education]~~. In
 20 determining the tuition for non-Kentucky residents, the council shall consider the
 21 fees required of Kentucky students by institutions in adjoining states, the resident
 22 fees charged by other states, the total actual per student cost of training in the
 23 institutions for which the fees are being determined, and the ratios of Kentucky
 24 students to non-Kentucky students comprising the enrollments of the respective
 25 institutions, and other factors the council may in its sole discretion deem pertinent.

26 (9) Devise, establish, and periodically review and revise policies to be used in making
 27 recommendations to the Governor for consideration in developing

1 recommendations to the General Assembly for appropriations to the universities
 2 and the Kentucky Community and Technical College System. The council has
 3 sole discretion, with advice of the Strategic Committee on Postsecondary
 4 Education and the executive officers of the postsecondary education system, to
 5 devise policies which provide for allocation of funds among the universities and
 6 the Kentucky Community and Technical College System;

7 (10) Lead and provide staff support for the biennial budget process as provided under
 8 KRS Chapter 48, in cooperation with the committee;

9 ~~{(4) Consider the requirements and review the budget requests, which shall be prepared~~
 10 ~~in the manner and submitted by the institutions to the council by dates prescribed by~~
 11 ~~the council, of the institutions of public higher education as to their appropriate level~~
 12 ~~of support considering the functions of the institutions and their respective needs.~~
 13 ~~The council, in cooperation with the university presidents, shall devise, establish, and~~
 14 ~~periodically review and revise formulas for use in making recommendations to~~
 15 ~~provide to the Governor and the Legislature for use in making appropriations for the~~
 16 ~~institutions of higher learning. The formulas shall provide for adequate and equitable~~
 17 ~~allocation of funds among the several universities considering their respective needs~~
 18 ~~and statutory, institutional, and geographic missions. In the development, revision,~~
 19 ~~and refinement of formulas, committees composed of members of the council staff~~
 20 ~~and a representative of each of the state universities shall conduct hearings on each~~
 21 ~~campus in a manner to give all principal segments of each institution the opportunity~~
 22 ~~to participate in the development of the formulas. The studies shall include, but not~~
 23 ~~be limited to:~~

24 ~~(a) A review of formulas used by other states to calculate needs and appropriate~~
 25 ~~funds for institutions of higher education;~~

26 ~~(b) A complete review of selected comparable institutions with reference to both~~
 27 ~~the state appropriations and tuition charges; and~~

(e) ~~A review of institutional activities and programs that can be calculated for use in the development of the formulas.~~

~~There shall be included in the final report the institutional responses to the studies and their recommendations and the recommendations of the advisory conference of presidents. Nothing in this chapter shall prevent or prohibit the Governor, the Legislature, the Council on Higher Education, or the governing board of any institution of higher education from requesting or recommending deviations from any applicable formula or formulas prescribed by the Council on Higher Education and advancing reasons and arguments in support of them. The individual institutions' budget requests, including tuition and registration fee schedules for all categories of students, along with council recommendations shall be submitted to the Governor through the Finance and Administration Cabinet not later than November 15 of each odd-numbered year. The council shall submit a separate budgetary recommendation for the University of Kentucky community college system.]~~

~~(11)(5)~~ Review and approve all capital construction projects ***including real property acquisitions as defined by KRS 45.750(1)(f) regardless of the source of funding for projects or acquisitions*** ~~the cost of which exceeds four hundred thousand dollars (\$400,000) approved by the governing boards of the state-supported institutions of higher education prior to the institutions' submission of the projects to the Finance and Administration Cabinet or the State Property and Buildings Commission].~~ ***Approval of capital projects and real property acquisitions shall be on a basis consistent with the strategic agenda and the mission of the respective universities and the Kentucky Community and Technical College System;***

~~(12)(6)~~ Require reports from the executive officer of each institution it deems necessary for the effectual performance of its duties

~~(7) Publish annually a report of the educational and financial affairs of the institutions and disseminate other information relating to higher education.]~~

- 1 ~~(13)~~⁽⁸⁾ Develop a university track program within the ~~University of~~ Kentucky
 2 Community and Technical College System consisting of sixty (60) hours of
 3 instruction that can be transferred and applied toward the requirements for a
 4 bachelor's degree at the public universities. The track shall consist of general
 5 education courses and pre-major courses as prescribed by the council. Courses in the
 6 university track program shall transfer and apply toward the requirements for
 7 graduation with a bachelor's degree at all public universities. Successful completion
 8 of the university track program shall meet the academic requirement for transfer to a
 9 public university as a junior. By fall semester of 1997, requirements for track
 10 programs shall be established for all majors and baccalaureate degree programs.
- 11 ~~(14)~~⁽⁹⁾ Define and approve the offering of all higher education diplomas, technical,
 12 associate, baccalaureate, graduate, and professional degree or certificate programs in
 13 the state-supported postsecondary~~higher~~ education institutions. The council may
 14 eliminate existing programs, or make any changes in existing academic
 15 programs at the state's postsecondary educational institutions taking into
 16 consideration these criteria:
- 17 (a) Consistency with the institution's approved mission and the state's strategic
 18 postsecondary education agenda implementation plan;
 - 19 (b) Alignment with the priorities in the state strategic postsecondary education
 20 agenda;
 - 21 (c) Elimination of unnecessary duplication of programs within and among
 22 institutions; and
 - 23 (d) Efforts to create cooperative programs with other institutions through
 24 traditional means, or by use of distance learning technology and electronic
 25 resources to achieve effective and efficient program delivery
- 26 (15) Identify academic programs offered at institutions to which the criteria for a
 27 standardized degree program shall be applied.

(a) If the council determines that a particular degree program offered by any state postsecondary institution shall be a standardized degree program, then the council shall direct each institution offering the degree program to collaborate under the direction of the council and establish the courses, and the course content required for that degree program.

(b) If the various institutions cannot agree upon the courses required or the content of the courses, then the council shall make these determinations.

(c) All courses approved for a standardized degree shall be transferable among all institutions granting that degree;

(16) Review proposals and make recommendations to the Governor regarding the establishment of new state-supported community colleges and new four (4) year colleges~~[-]~~

(17) ~~[The Council on Higher Education shall]~~ Postpone the approval of any new program at a state *postsecondary educational* institution~~[of higher learning]~~, unless the institution has met its equal educational opportunity goals, as established by the council. In accordance with administrative regulations promulgated by the council, those institutions not meeting the goals shall be able to obtain a temporary waiver, if the institution has made substantial progress toward meeting its equal educational opportunity goals~~[-]~~

(18) Ensure the coordination and transferability of technology among postsecondary institutions in the Commonwealth including the development and implementation of a plan as a component of the strategic agenda for the coordination and transferability of technology;

~~[Provided, nothing in this section, KRS 164.011, 164.125, and 164.290 to 164.295 shall be construed to grant the Council on Higher Education authority to disestablish or eliminate any college of law which became a part of the state system of higher education through merger with a state college.]~~

1 ~~(19)~~~~(10)~~ Approve the teacher education programs in the public institutions~~ns~~

2 ~~{(11) Elect a chairperson annually from the voting membership and appoint an executive~~
 3 ~~director and staff needed and fix their compensation without limitation of the~~
 4 ~~provisions of KRS Chapter 18A and KRS 64.640, subject to the approval of the~~
 5 ~~commissioner of personnel and the secretary of the Finance and Administration~~
 6 ~~Cabinet. No relative of a Council on Higher Education member shall be employed by~~
 7 ~~the agency.}~~

8 ~~(20)~~~~(12)~~ Constitute the representative agency of the Commonwealth in all matters of
 9 postsecondary~~higher~~ education of a general and statewide nature which are not
 10 otherwise delegated to one (1) or more institutions of postsecondary~~higher~~
 11 learning. The responsibility may be exercised through appropriate contractual
 12 relationships with individuals or agencies located within or without the
 13 Commonwealth. The authority includes, but is not limited to, contractual
 14 arrangements for programs of research, specialized training, and cultural
 15 enrichment~~t~~~~[-]~~

16 ~~(21)~~~~(13)~~ Maintain~~Develop~~ procedures for the approval of a designated receiver to
 17 provide for the maintenance of student records of the public institutions of higher
 18 education and the colleges as defined in KRS 164.945, and institutions operating
 19 pursuant to KRS 165A.310 which offer collegiate level courses for academic credit,
 20 which cease to operate ~~after July 15, 1980~~. Procedures shall include assurances
 21 that, upon proper request, subject to federal and state laws and regulations, copies of
 22 student records shall be made available within a reasonable length of time for a
 23 minimum fee~~t~~~~[-]~~

24 ~~(22)~~~~(14)~~ Monitor and transmit a report on compliance with KRS 164.351~~[-]~~. The report
 25 ~~shall be transmitted~~ to the director of the Legislative Research Commission for
 26 distribution to the Health and Welfare Committee~~t~~~~[-]~~

- 1 ~~(23)~~~~(15)~~ Develop in cooperation with each state postsecondary education institution ~~of higher education~~ a comprehensive orientation program for new members of the ~~to be carried out by the respective institution for newly appointed~~ governing
2
3 boards ~~board trustees and regents~~. The orientation program shall include, but not
4
5 be limited to, the ~~presentation of~~ information concerning the roles of the council,
6 the Strategic Committee on Postsecondary Education, the state strategic
7 postsecondary education agenda and the implementation plan, and the respective
8 institution's mission, budget, plans, policies, strengths, and weaknesses~~es~~.
- 9 (24) Develop a standardized accounting procedure to be used by all state
10 postsecondary education institutions to ensure uniformity of financial
11 information available to state agencies and the public;
- 12 (25) Select and appoint a president of the council under Section 5 of this Act;
- 13 (26) Employ consultants and other persons and employees as may be required for the
14 council's operations, functions, and responsibilities;
- 15 (27) Promulgate administrative regulations, in accordance with KRS Chapter 13A,
16 governing its powers, duties, and responsibilities as described in this section;
- 17 (28) Prepare and present by January 31 an annual status report on postsecondary
18 education in the Commonwealth to the Governor, the Strategic Committee on
19 Postsecondary Education, and the Legislative Research Commission;
- 20 (29) Ensure that the state postsecondary system does not unnecessarily duplicate
21 services and programs provided by private postsecondary institutions and shall
22 promote maximum cooperation between the state postsecondary system and
23 private postsecondary institutions;
- 24 (30) Create advisory groups representing the presidents, faculty, nonteaching staff,
25 and students of the nine (9) public institutions and the independent colleges and
26 universities; and

1 **(31) Exercise any other powers, duties, and responsibilities necessary to carry out the**
 2 **purposes of the Kentucky Postsecondary Education Improvement Act of 1997.**
 3 **Nothing in this section, Sections 65 and 77 of this Act, and KRS 164.290 to**
 4 **164.295 shall be construed to grant the Council on Postsecondary Education**
 5 **authority to disestablish or eliminate any college of law which became a part of**
 6 **the state system of higher education through merger with a state college.**

7 Section 67. KRS 164.0205 is amended to read as follows:

8 The Council on **Postsecondary**~~Higher~~ Education in Kentucky shall promote, support,
 9 and assist in the program created in KRS 158.798 by:

- 10 (1) Identifying college students who have a superior academic aptitude or achievement
 11 in math, science, and technology related course work to participate in this program;
- 12 (2) Educating higher education institutions as to the availability of this program and
 13 encouraging participation by administrators, faculty, and students;
- 14 (3) Establishing liaison and assisting in the coordination of any specific program
 15 component which involves college-level internships, scholarships, or career
 16 development.

17 Section 68. KRS 164.021 is amended to read as follows:

18 The president or chief executive officer of each four (4) year state institution of higher
 19 learning **and the president of the Kentucky Community and Technical College System**
 20 shall serve on an advisory conference for the Council on **Postsecondary**~~Higher~~
 21 Education. The Advisory Conference of Presidents will receive the full agenda for each
 22 meeting of the council a reasonable time prior to the council meeting and, in the event of
 23 viewpoints differing from the Council on **Postsecondary**~~Higher~~ Education, an elected
 24 spokesperson for the conference may meet with the council and the executive committee
 25 to present before the council the institutional positions on such issues. At least once each
 26 year the Council on **Postsecondary**~~Higher~~ Education will meet with the Advisory
 27 Conference of Presidents.

1 Section 69. KRS 164.027 is amended to read as follows:

2 (1) The Council on Postsecondary~~Higher~~ Education shall have authority to provide
3 for a program of occupational qualification development in the Commonwealth. The
4 program may be provided for by contract with any recognized and accredited
5 municipal junior college located within the Commonwealth. The contract shall
6 provide that the college shall admit to its course of instruction, up to such
7 percentage of its full teaching capacity as may be fixed by contract, residents of the
8 Commonwealth who make application to pursue the course of study of the college;
9 provided, however, that the persons shall be classified as residents according to
10 council administrative regulations and shall be eligible for admissions to the junior
11 college.

12 (2) The Council on Postsecondary~~Higher~~ Education shall pay to the college not more
13 than two hundred dollars (\$200) per school year for each student enrolled. The
14 payments shall be additional to the annual tuition fees paid by each student. The
15 council shall have authority to provide by contract that it pay the expense of specific
16 research projects or programs conducted by the college. The council shall make an
17 annual report of its occupational qualification development program after June 30 of
18 each year, including an accounting of all moneys received and disbursed. The council
19 shall have no authority to incur any obligation in excess of the sums that have been
20 appropriated to it.

21 Section 70. KRS 164.028 is amended to read as follows:

22 There shall be established in the Council on Postsecondary~~Higher~~ Education an Office
23 of Professional Education Preparation Programs. The office shall have as its principal
24 responsibility the coordination, development, and implementation, through appropriate
25 means, of educational activities directed toward solving the problem of professional
26 manpower distribution in the Commonwealth. For the purposes of KRS 164.028 to
27 164.029, the words "profession" and "professional" mean medicine and dentistry.

1 Section 71. KRS 164.0282 is amended to read as follows:

2 The Council on Postsecondary~~Higher~~ Education shall:

- 3 (1) Employ a director and sufficient staff to administer the professional education
4 preparation programs;
- 5 (2) Formulate guidelines and policies governing program activities and fund
6 expenditures;
- 7 (3) Allocate funds to appropriate agencies, organizations, and institutions for the
8 purpose of conducting activities approved in accordance with guidelines and
9 policies;
- 10 (4) Recognize regional groups made up of professionals, educators, and consumers,
11 which shall serve in an advisory capacity to the council in accordance with guidelines
12 and policies;
- 13 (5) Recognize a group made up of professionals, educators and consumers which shall
14 serve in an advisory capacity to the council on all program matters;
- 15 (6) Develop and maintain a mechanism for evaluating the impact of the program
16 activities on admissions to, and graduation from, professional schools, and on
17 professional manpower distribution;
- 18 (7) Conduct specific program activities which are beyond the capability of a single
19 institution, agency, or organization, or when it is determined that it would be
20 inappropriate for such institutions, agencies, or organizations to conduct the activity;
- 21 (8) Establish liaison with and provide assistance to the Kentucky Board of Education~~and the State Board for Occupational Education~~ in developing counseling and other
22 related programs to encourage students from shortage areas to prepare for
23 professional careers;
- 24 (9) Coordinate the development of a financial support system to enable potential
25 professional students in underserved areas which will enhance their ability to apply
26 for, be admitted to, and graduate from professional education programs;
- 27

1 (10) Report at least annually to the appropriate committees and interim committees of the
2 General Assembly on the operation of the program.

3 Section 72. KRS 164.029 is amended to read as follows:

4 The Area Health Education System in the Council on Postsecondary~~[Higher]~~ Education is
5 hereby recognized.

6 Section 73. KRS 164.030 is amended to read as follows:

7 The governing board of each of the state postsecondary education institutions~~[of higher~~
8 ~~learning]~~ shall make such changes or adjustments in the curricula and such rules and
9 regulations affecting their schools as are necessary to carry out and put into effect the
10 rulings of the Council on Postsecondary~~[Higher]~~ Education in regard to curricular
11 offerings, entrance fees and qualifications for admission to and reports from their
12 respective institutions.

13 Section 74. KRS 164.050 is amended to read as follows:

14 The members of the Council on Postsecondary Education shall receive one hundred
15 dollars (\$100)~~[sixty-five dollars (\$65)]~~ per day for each council meeting attended and
16 shall be reimbursed for their necessary traveling and other expenses while attending the
17 meetings of the council, except a member who resides outside the Commonwealth shall
18 not be reimbursed for out-of-state travel. Each institution shall pay the expenses of its own
19 representatives. The expenses of the chief state school officer shall be paid by the state in
20 the same manner as his other traveling expenses are paid.

21 Section 75. KRS 164.070 is amended to read as follows:

22 The council shall meet in the office of the president~~[executive director]~~ or such other
23 place as it designates.

24 Section 76. KRS 164.095 is amended to read as follows:

25 (1) As used in this section, unless the context requires otherwise:

26 (a) "Disability" means hard of hearing, including deafness; speech or language
27 impairment; visual impairment, including blindness; orthopedic impairment;

1 other health impairment that substantially limits a major life activity; or specific
2 learning problem.

3 (b) "Institution" means public universities, their subdivisions, and the ~~University~~
4 ~~of~~ Kentucky Community and Technical College System.

5 (2) It is the intent of the General Assembly that an accountability process be
6 implemented which provides for a systematic ongoing evaluation of quality and
7 effectiveness in Kentucky postsecondary education ~~[public]~~ institutions ~~[of higher~~
8 ~~education]~~ and to provide a method for evaluating each institution's progress toward
9 meeting specific standards. It is further the intent of the General Assembly that the
10 accountability process monitor performance at the institutions in each of the major
11 areas of instruction, research, and public service, while recognizing the individual
12 missions of each of the institutions. The accountability process shall provide for the
13 adoption of systemwide and individual performance goals with standards identified
14 through a collaborative effort involving the postsecondary ~~[higher]~~ education
15 institutions and the Council on Postsecondary ~~[Higher]~~ Education. The
16 accountability process shall be implemented in phases as follows:

17 (a) By October 1, 1992, the Council on Postsecondary ~~[Higher]~~ Education shall
18 submit to the Governor and the Legislative Research Commission a plan for
19 implementing the higher education accountability process. The plan shall
20 provide a timetable which identifies the specific performance standards and
21 related goals to be implemented each year, with full implementation by
22 December 31, 1994. The plan shall include, but not be limited to, data gathered
23 and reported in a manner prescribed by the Council on Postsecondary ~~[Higher]~~
24 Education on the following performance standards:

- 25 1. Total student credit hours produced, by institution and by discipline;
- 26 2. Total number of degrees awarded, by institution and by discipline;

3. Total number of contact hours of instruction produced by faculty, rank of faculty, institution, and course level;
4. A measure of faculty workload to include the hours spent in the following activities: instruction, course preparation, noninstructional student contact, research, and public service;
5. Pass rates on professional licensure examinations, by institution;
6. Institutional quality as assessed by follow-up surveys of alumni, parents, clients, and employers;
7. Length of time and number of academic credits required to complete an academic degree, by institution and by degree;
8. Enrollment, persistence, retention, and graduation rates by discipline and by race, gender, and disability. The disability category shall include all students who are clients of vocational rehabilitation and students who make their disability known to the institution;
9. Student course demand analysis;
10. Classroom utilization;
11. Research and public service activities, including activities supporting elementary and secondary education reform;
12. The number and percentage of accredited programs and the number and percentage of programs eligible for accreditation;
13. The percent and number of students enrolled in remedial courses and the number of students exiting remedial courses and successfully completing entry-level curriculum courses; and
14. The number of full-time students who have transferred from a two-year, post-secondary institution and the number of these students who have successfully completed a four-year program.

(b) Beginning December 1, 1993, the Council on Postsecondary~~[Higher]~~ Education shall submit to the Governor and the Legislative Research Commission an annual accountability report providing information on the implementation of performance standards and the achievement of the performance goals during the prior year and initiatives to be undertaken during the next year.

Section 77. KRS 164.125 is amended to read as follows:

(1) The University of Kentucky shall provide:

(a) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, associate and baccalaureate programs of instruction;

(b) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, master degree programs, specialist degree programs above the masters-degree level, and joint doctoral programs in cooperation with other state-supported postsecondary education~~institutions of higher education~~ in the state;

(c) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, doctoral and post-doctoral programs and professional instruction including law, medicine, dentistry, education, architecture, engineering and social professions.

(2) The University of Kentucky shall be the principal state institution for the conduct of statewide research and statewide service programs ~~and shall be the only institution authorized to expend state general fund appropriations on research and service programs of a statewide nature financed principally by state funds. As applied in this section, research and service programs of a statewide nature shall be programs requiring the establishment and operation of facilities or centers outside of the primary service area of the institution]~~

(3) The University of Kentucky is authorized to provide programs of a community college nature in its own community comparable to those listed for the community college system, as provided by KRS Chapter 164.

1 Section 78. KRS 164.131 is amended to read as follows:

- 2 (1) (a) The government of the University of Kentucky is vested in a board of trustees
3 appointed for a term set by law pursuant to Section 23 of the Constitution of
4 Kentucky.

5 (b) All appointments after the effective date of this Act shall be required to
6 attend and complete an orientation program prescribed by the council
7 under Section 66 of this Act, as a condition of their appointment.

8 (c) Board members may be removed by the Governor for cause, which shall
9 include neglect of duty or malfeasance in office, after being afforded a
10 hearing with counsel before the council and a finding of fact by the
11 council.

12 (d) The board shall consist of sixteen (16) members appointed by the Governor,
13 two (2) members of the faculty of the University of Kentucky, ~~one (1)~~
14 ~~member of the teaching faculty of the community college system,~~ and one (1)
15 member of the student body of the University of Kentucky. The voting
16 members of the board shall select a chairperson annually.

- 17 (2) (a) The terms of the appointed members shall be for six (6) years and until their
18 successors are appointed and qualified; except the initial appointments shall be
19 as follows:

- 20 1. Two (2) members shall serve one (1) year terms;
21 2. Two (2) members shall serve two (2) year terms, one (1) of whom shall
22 be a graduate of the university, selected from a list of three (3) names
23 submitted by the alumni of the university according to rules established
24 by the board of trustees;
25 3. Three (3) members shall serve three (3) year terms;

1 4. Three (3) members shall serve four (4) year terms, one (1) of whom shall
2 be a graduate of the university, selected as under subparagraph 2. of this
3 subsection;

4 5. Three (3) members shall serve five (5) year terms; and

5 6. Three (3) members shall serve six (6) year terms, one (1) of whom shall
6 be a graduate of the university, selected as under subparagraph 2. of this
7 subsection.

8 (b) Three (3) of the appointments shall be graduates of the university and may
9 include one (1) graduate of the institution who resides outside the
10 Commonwealth; three (3) shall be representative of agricultural interests; and
11 ten (10) shall be other distinguished citizens representative of the learned
12 professions.

13 (c) The Governor shall make the appointments so as to reflect proportional
14 representation of the two (2) leading political parties of the Commonwealth
15 based on the state's voter registration and to reflect no less than proportional
16 representation of the minority racial composition of the Commonwealth.

17 (d) Appointments to fill vacancies shall be made for the unexpired term in the
18 same manner as provided for the original appointments.

19 (3)~~[(a)]~~ The two (2) University of Kentucky faculty members shall be of the rank of
20 assistant professor or above. They shall be elected by secret ballot by all University
21 of Kentucky faculty members of the rank of assistant professor or above. Faculty
22 members shall serve for terms of three (3) years and until their successors are elected
23 and qualified. Faculty members shall be eligible for reelection, but they shall be
24 ineligible to continue to serve as members of the board of trustees if they cease to be
25 members of the faculty of the university. Elections to fill vacancies shall be for the
26 unexpired term in the same manner as provided for original elections.

1 ~~{(b) The faculty member representing the community college system shall be a~~
 2 ~~teaching or research member at one (1) of the community colleges. The~~
 3 ~~community college faculty member shall be elected by secret ballot by~~
 4 ~~members of the community college faculties. The community college faculty~~
 5 ~~member shall serve for a three (3) year term and until a successor is elected~~
 6 ~~and qualified. No community college shall have a faculty representative on the~~
 7 ~~board of trustees for more than one (1) term in succession. The community~~
 8 ~~college faculty member shall be ineligible to continue to serve as a member of~~
 9 ~~the board of trustees if he ceases to be a member of the faculty at one (1) of~~
 10 ~~the community colleges. Election to fill a vacancy shall be made for the~~
 11 ~~unexpired term in the same manner as provided for original election.]~~

12 (4) The student member shall be the president of the student body of the university
 13 during the appropriate academic year and may be an out-of-state resident if
 14 applicable. If the student member does not maintain his position as student body
 15 president or, his status as a full-time student at any time during that academic year, a
 16 special election shall be held to select a full-time student. The student member shall
 17 serve for a term of one (1) year beginning with the first meeting of the fiscal year
 18 which contains that academic year.

19 (5) The number of student and employee trustees of the University of Kentucky elected
 20 to the board shall not exceed four (4).

21 (6) No member of the administrative staff of the university shall be directly or indirectly
 22 interested in any contract with the university for the sale of property, materials,
 23 supplies, equipment, or services, with exception of compensation to the three (3)
 24 faculty members.

25 Section 79. KRS 164.150 is amended to read as follows:

No member of a governing board of a public ~~postsecondary~~ ~~institution of higher~~ education shall be held to be a public officer by reason of his membership on the board except as provided in KRS 45A.335 for the purpose of KRS 45A.340.

Section 80. KRS 164.260 is amended to read as follows:

The board of trustees may acquire additional lands or other property or material under **Section 31 of this Act** for the purpose of expanding its plant and extending its usefulness.

When unable to contract with the owner of land or other property or material necessary for the purposes of the university, it may acquire the same by condemnation proceedings in the manner provided in the Eminent Domain Act of Kentucky.

Section 81. KRS 164.283 is amended to read as follows:

(1) As used in this section unless the context otherwise requires:

(a) "Academic" means a student's official record of academic performance, including, but not limited to transcript of grades or other action taken by the institution directly related to academic performance. The term "academic" does not include any nonacademically-related action the institution may take.

(b) "Universities and colleges" means all ~~state~~~~public~~ supported postsecondary education institutions ~~of higher learning~~ in Kentucky.

(c) "Institution" means all public supported institutions of higher learning in Kentucky.

(2) All student academic records shall be confidential, with the exception of the exemptions stated in subsections (3) to (9) of this section, and shall not be released by any public supported institution of higher education in Kentucky, to any person, organization, institution, group or agency, except with the express consent of the individual student. This confidentiality shall apply only to student academic records, including, but not limited to official transcript of grades.

(3) All student academic records shall be made available upon request to any agency of the federal or state government for the purpose of determining a student's eligibility

1 for military service, and shall include making such records available to local draft
 2 boards. This authority shall be limited only to determining the student's eligibility for
 3 military service and shall not be extended, except with the individual student's
 4 consent as specified in subsection (2) of this section.

5 (4) Any institution may provide the legal parents of any student under twenty-one (21)
 6 years of age with a copy of the student's academic record.

7 (5) All student academic records shall be made available to any federal, state, or local
 8 law enforcement agency and any court of law upon request or issuance of a
 9 subpoena.

10 (6) All student academic records shall be made available upon request to any grantor of
 11 scholarships or loans based upon the maintenance of a satisfactory level of
 12 scholarship, but shall be for the official use of the grantors only.

13 (7) All student academic records shall be made available upon request to a public or
 14 private junior college from which the individual student was graduated or to a public
 15 or private secondary school from which the individual student was graduated.

16 (8) All student academic records shall be made available upon request to the Council on
 17 Postsecondary~~Higher~~ Education for professional academic research.

18 (9) All student academic records shall be made available upon request to any official of
 19 the university or college in which the student is enrolled who is directly concerned
 20 with the student's academic progress. This authority shall include but is not limited
 21 to the individual student's academic adviser.

22 (10) This section shall be applicable to all academic records maintained by all
 23 ~~state~~~~public~~ supported postsecondary education institutions of higher education in
 24 Kentucky.

25 Section 82. KRS 164.287 is amended to read as follows:

26 Each board of regents or trustees of the state-supported postsecondary education
 27 institutions~~[of higher learning]~~ is authorized to provide for liability and indemnity

insurance against the negligence of drivers or operators of motor vehicles or other mobile equipment owned or operated by the board. If the transportation of members of the student bodies is let out under contract, the contract shall require the contractor to carry indemnity or liability insurance against negligence in such amount as the board designates. In either case the indemnity bond or insurance policy shall be issued by some surety or insurance company authorized to transact business in this state, and shall bind the company to pay any final judgment not to exceed the limits of the policy rendered against the insured for loss or damage to property of any student or other person, or death or injury of any student or other person.

Section 83. KRS 164.2871 is amended to read as follows:

- (1) The governing board of each state postsecondary education institution~~[of higher education]~~ is authorized to purchase liability insurance for the protection of the individual members of the governing board, faculty, and staff of such institutions from liability for acts and omissions committed in the course and scope of the individual's employment or service. Each institution may purchase the type and amount of liability coverage deemed to best serve the interest of such institution.
- (2) All retirement annuity allowances accrued or accruing to any employee of a state postsecondary education institution~~[of higher education]~~ through a retirement program sponsored by the state postsecondary education institution~~[of higher education]~~ are hereby exempt from any state, county, or municipal tax, and shall not be subject to execution, attachment, garnishment, or any other process whatsoever, nor shall any assignment thereof be enforceable in any court. Except retirement benefits accrued or accruing to any employee of a state postsecondary education institution~~[of higher education]~~ through a retirement program sponsored by the state postsecondary education institution~~[of higher education]~~ on or after January 1, 1998, shall be subject to the tax imposed by KRS 141.020, to the extent provided in KRS 141.010 and 141.0215.

1 (3) Except as provided in KRS Chapter 44, the purchase of liability insurance for
 2 members of governing boards, faculty and staff of institutions of higher education in
 3 this state shall not be construed to be a waiver of sovereign immunity or any other
 4 immunity or privilege.

5 Section 84. KRS 164.288 is amended to read as follows:

6 Any of the state postsecondary education institutions~~[of higher education]~~ or the state on
 7 behalf of any of the institutions may accept federal aid in the form of services, equipment,
 8 supplies, materials, or funds by way of gift, grant, or loan for the purpose of higher
 9 education including student loans. Any of the institutions acting through its president or its
 10 governing board is hereby authorized to receive such services, equipment, supplies,
 11 materials and funds as are available. The institutions are authorized to use funds
 12 appropriated to them in carrying out the matching provisions required by federal
 13 programs, loans or grants.

14 Section 85. KRS 164.289 is amended to read as follows:

15 Notwithstanding any other provision of KRS Chapter 164, the faculty member of any
 16 governing board of any postsecondary education institution~~[of higher education]~~
 17 supported in whole or in part by state funds, whether or not described as nonvoting, shall
 18 have the right to vote on all matters except that of faculty compensation.

19 Section 86. KRS 164.2891 is amended to read as follows:

20 Any university or postsecondary education institution under the jurisdiction of the
 21 Council on Postsecondary~~[Higher]~~ Education may have a faculty member as a voting
 22 member of its board of trustees or regents.

23 Section 87. KRS 164.295 is amended to read as follows:

24 The six (6) state universities shall provide:

25 (1) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, associate, and
 26 baccalaureate programs of instruction;

(2) Upon approval of the Council on Postsecondary~~[Higher]~~ Education, graduate programs of instruction at the masters-degree level in education, business, and the arts and sciences, specialist degrees, and programs beyond the masters-degree level to meet the requirements for teachers, school leaders, and other certified personnel;

(3) Research and service programs directly related to the needs of their primary geographical areas;

(4) And, may provide programs of a community college nature in their own community comparable to those listed for the ~~[University of]~~ Kentucky Community and Technical College System, as provided ~~in Section 103 of this Act~~~~[by this chapter]~~

Section 88. KRS 164.310 is amended to read as follows:

There shall be a board of regents for each of the state universities~~[colleges]~~, to be known as the board of regents of the State University and a board of regents for the Kentucky Community and Technical College System~~(or College)~~.

Section 89. KRS 164.321 is amended to read as follows:

(1) Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, Kentucky State University,~~[and]~~ Northern Kentucky University, and the Kentucky Community and Technical College System shall each be governed by a board of regents appointed for a term set by law pursuant to Section 23 of the Constitution of Kentucky.

(a) Each board of the regional universities shall consist of eight (8) members appointed by the Governor, one (1) member of the teaching faculty, one (1) member of the university nonteaching personnel, and one (1) member of the student body of the respective university or college. The members of the board shall select a chairperson annually.

(b) The board of the Kentucky Community and Technical College System shall consist of eight (8) members appointed by the Governor, two (2) members

1 of the teaching faculty, two (2) members of the nonteaching personnel, and
 2 two (2) members of the student body.

3 (2) The terms of appointed members shall be for six (6) years and until their successors
 4 are appointed and qualified, except the initial appointments to the board of regents
 5 for the Kentucky Community and Technical College System shall be as follows:

- 6 (a) One (1) member shall serve a one (1) year term;
- 7 (b) One (1) member shall serve a two (2) year term;
- 8 (c) Two (2) members~~One (1) member~~ shall serve ~~a~~ three (3) year terms~~term~~;
- 9 (d) One (1) member shall serve a four (4) year term;
- 10 (e) One (1) member~~Two (2) members~~ shall serve a five (5) year term~~terms~~;
- 11 and
- 12 (f) Two (2) members shall serve six (6) year terms. No member shall be
 13 appointed for more than two (2) consecutive terms.

14 (3) The gubernatorial appointments may include one (1) graduate of the respective
 15 institution who resides outside the Commonwealth. Not more than two (2)
 16 appointed members of any board shall be residents of one (1) county. The
 17 appointments shall reflect the proportional representation of the two (2) leading
 18 political parties of the Commonwealth based on the state's voter registration.
 19 Membership on the board shall reflect no less than proportional representation of the
 20 minority racial composition of the Commonwealth. Membership on the board shall
 21 not be incompatible with any state office.

22 (4) Appointments to fill vacancies shall be made in the same manner and within the same
 23 time after the occurrence of the vacancy as regular appointments. The person
 24 appointed shall hold the position for the unexpired term only.

25 (5) Each member of the board shall serve for the term for which he is appointed and
 26 until his successor is appointed and qualified.

1 (6) (a) The faculty member shall be a teaching or research member of the faculty of
 2 his respective university or college of the rank of assistant professor or above.
 3 He shall be elected by secret ballot by all faculty members of his university or
 4 college of the rank of assistant professor or above. The faculty member shall
 5 serve for a term of three (3) years and until his successor is elected and
 6 qualified. The faculty member shall be eligible for reelection, but he shall not
 7 be eligible to continue to serve as a member of the board if he ceases being a
 8 member of the teaching staff of the university or college. Elections to fill
 9 vacancies shall be for the unexpired term in the same manner as provided for
 10 original election.

11 (b) The faculty members of the Kentucky Community and Technical College
 12 System shall represent one (1) faculty member elected from the community
 13 colleges and one (1) faculty member elected from the technical institutions
 14 to serve three (3) year terms and until their successors are named. The
 15 faculty representatives of each branch shall be elected pursuant to a process
 16 established by the board. The faculty members may be reelected, but shall
 17 not serve more than two (2) consecutive terms. A faculty member shall be
 18 ineligible to continue to serve as a member of the board if he ceases to be a
 19 member of the faculty at one (1) of the institutions within the system. These
 20 two (2) members shall collectively have one (1) vote which may be cast one-
 21 half vote by each member.

22 (7) (a) The nonteaching personnel member in a regional university shall be any full-
 23 time staff member excluding the president, vice presidents, academic deans,
 24 and academic department chairpersons. He shall represent all nonteaching
 25 university employees including, but not limited to, building facilities and
 26 clerical personnel. He shall be elected by secret ballot by the nonteaching
 27 employees. The nonteaching personnel member shall serve a term of three (3)

years and until his successor is elected and qualified. The nonteaching personnel member shall be eligible for reelection, but he shall not be eligible to continue to serve as a member of the board if he ceases being an employee of the university. Elections to fill vacancies shall be for the unexpired term in the same manner as provided for the original election.

(b) The nonteaching personnel members in the Kentucky Community and Technical College System shall be any full-time staff member excluding the president, vice presidents, academic deans, academic department chairs or administrators. They shall represent all nonteaching employees in their respective branch institutions including, but not limited to, support and clerical personnel. One (1) member shall be a representative from the community colleges and one (1) member shall be a representative from the technical institutions. They shall serve three (3) year terms and until their successors are named. These two (2) members shall collectively have one (1) vote which may be cast one-half (1/2) vote by each member. The nonteaching personnel members of shall be elected pursuant to a process established by the board. A nonteaching personnel member may be reelected, but shall not serve more than two (2) consecutive terms. A nonteaching employee shall be ineligible to continue to serve as a member of the board if that employee ceases to be a nonteaching employee at one (1) of the institutions within the system.

(8) (a) The student member on a regional university board shall be the president of the student body of the university during the appropriate academic year and may be an out-of-state resident if applicable. If the student member does not maintain his position as student body president or his status as a full-time student at any time during that academic year, a special election shall be held to select a full-time student member. The student member shall serve for a

term of one (1) year beginning with the first meeting of the fiscal year which contains that academic year.

(b) Two (2) full-time student members shall be elected. One (1) shall represent students of the community colleges and one (1) shall represent the technical institutions. The student members shall be elected pursuant to a process established by the board. The student members shall serve one (1) year terms beginning with the first meeting of the fiscal year that contains the academic year. If the student member does not maintain his or her status as a full-time student, a special election shall be held to fill the vacancy. The two (2) members shall collectively have one (1) vote which may be cast one-half (1/2) vote by each member.

(9) All appointments after the effective date of this Act shall be required to attend and complete an orientation program prescribed by the council under Section 66 of this Act, as a condition of their appointment.

(10) Board members may be removed by the Governor for cause, which shall include neglect of duty or malfeasance in office, after being afforded a hearing with counsel before the Council on Postsecondary Education and a finding of fact by the council.

(11) The initial board of the Kentucky Community and Technical College System shall be appointed by July 31, 1997.

Section 90. KRS 164.330 is amended to read as follows:

Each board of regents shall hold its first meeting within thirty (30) days after each appointment of new members. At this meeting there shall be elected a vice chairperson and a secretary for the board. Each board shall appoint a treasurer, and such officers as it deems necessary but no member of any of the boards shall be appointed treasurer. No member of any board shall draw any salary for his services, but shall be reimbursed for necessary expenditures made in going to and from each meeting of the board and for other

legitimate expenses, except a member who resides outside the Commonwealth shall not be reimbursed for out-of-state travel. The expenses shall be paid out of the funds of the *Kentucky Community and Technical College System* on university or college.

Section 91. KRS 164.335 is amended to read as follows:

In addition to the qualifications provided in KRS 164.131 for members of the board of trustees of the University of Kentucky, in KRS 164.821 for members of the board of trustees of the University of Louisville, and in KRS 164.321 for members of the board of regents of other Kentucky universities and state colleges *and the Kentucky Community and Technical College System*, no person who is a member of either house of the Kentucky General Assembly shall serve as a member of the board of trustees or board of regents of any state-supported *technical institution, community college,* college, or university.

Section 92. KRS 164.340 is amended to read as follows:

The governing board shall meet quarterly at the university or college *or the headquarters site of the Kentucky Community and Technical College System* or at such other place as is agreed upon. Upon written request of the president of the institution or of two (2) members of the board, the chairman of the board shall call a special meeting at a place designated by him, and the board may at such special meeting transact any or all business that it may transact at a regular meeting. A majority of the members of the board shall constitute a quorum for the transaction of business, but no appropriation of money shall be made nor any contract that requires a disbursement of money shall be authorized, and no teacher employed or dismissed, unless a majority of all the members of the board vote for it.

Section 93. KRS 164.350 is amended to read as follows:

The government of each of the state universities and colleges *and the Kentucky Community and Technical College System* is vested in its respective board of regents. Each board of regents, when its members have been appointed and qualified, shall

1 constitute a body corporate, with the usual corporate powers, and with all immunities,
 2 rights, privileges and franchises usually attaching to the governing bodies of educational
 3 institutions. Each board may:

- 4 (1) Receive grants of money and expend the same for the use and benefit of the
 5 university or college;
- 6 (2) Adopt bylaws, rules and regulations for the government of its members, officers,
 7 agents and employees, and enforce obedience to such rules;
- 8 (3) Require such reports from the president, officers, faculty and employees as it deems
 9 necessary and proper from time to time;
- 10 (4) Determine the number of divisions, departments, bureaus, offices and agencies
 11 needed for the successful conduct of the affairs of the university or college; and
- 12 (5) Grant diplomas and confer degrees upon the recommendation of the president and
 13 faculty.

14 Section 94. KRS 164.351 is amended to read as follows:

- 15 (1) State colleges and universities and the Kentucky Community and Technical
 16 College System shall provide information on how to prevent the transmission of the
 17 human immunodeficiency virus consistent with the Centers for Disease Control
 18 guidelines, to all freshmen and transfer students.
- 19 (2) Each state technical institution, community college, or university shall inform
 20 students of the name and telephone number of a technical institution, community
 21 college, college, or university counselor trained to counsel persons about the human
 22 immunodeficiency virus.

23 Section 95. KRS 164.352 is amended to read as follows:

24 If a board of trustees or regents of a state supported institution of postsecondary
 25 education ~~[higher learning]~~ provides access to its campus or its student directory
 26 information to persons or groups which make students aware of occupational or
 27 educational options, the boards shall provide access on the same basis to official recruiting

representatives of the military forces of the state and the United States for the purpose of informing students of educational and career opportunities available in the military.

Section 96. KRS 164.360 is amended to read as follows:

(1) (a) Each board of regents for the universities may appoint a president, and on the recommendation of the president may, in its discretion, appoint all faculty members and employees and fix their compensation and tenure of service, subject to the provisions of subsection (2) of this section.

(b) The board of regents for the Kentucky Community and Technical College System shall appoint a president, and on the recommendation of the president may in its discretion, appoint all faculty members and employees and fix their compensation and tenure of service, subject to the provisions of subsection (2) of this section.

(2) No person shall be employed for a longer period than four (4) years. No person shall be employed at an institution where his relative serves on the board of regents for that institution.

(3) Each board may remove the president of the university or Kentucky Community and Technical College System~~college~~, and upon the recommendation of the president may remove any faculty member or employees, but no president or faculty member shall be removed except for incompetency, neglect of or refusal to perform his duty, or for immoral conduct. A president or faculty member shall not be removed until after ten (10) days' notice in writing, stating the nature of the charges preferred, and after an opportunity has been given him to make defense before the board by counsel or otherwise and to introduce testimony which shall be heard and determined by the board. Charges against a president shall be preferred by the chairperson of the board upon written information furnished to him, and charges against a faculty member shall be preferred in writing by the president unless the offense is committed in his presence.

1 Section 97. KRS 164.365 is amended to read as follows:

2 **(1)** Anything in any statute of the Commonwealth to the contrary notwithstanding, the
 3 power over and control of appointments, qualifications, salaries and compensation
 4 payable out of the State Treasury or otherwise, promotions, and official relations of
 5 all employees of Eastern Kentucky University, Western Kentucky University,
 6 Murray State University, Northern Kentucky University, and Morehead State
 7 University, as provided in KRS 164.350 and 164.360, and of Kentucky State
 8 University **and the Kentucky Community and Technical College System**, shall be
 9 under the exclusive jurisdiction of the respective governing boards of each of the
 10 institutions named.

11 **(2) The board of regents for the Kentucky Community and Technical College System**
 12 **shall develop personnel rules for the governing of its members, officers, agents,**
 13 **and employees by June 30, 1998.**

14 Section 98. KRS 164.400 is amended to read as follows:

15 The respective boards of regents of the state universities and colleges **and the Kentucky**
 16 **Community and Technical College System** shall establish such incidental fees and
 17 nonresident tuition fees as will be sufficient for the purpose of paying the incidental
 18 expenses of the university or college and as are consistent with the recommendations of
 19 the Council on **Postsecondary**~~[Higher]~~ Education. No money derived from nonresident
 20 tuition or other fees paid by students shall be used for any other purpose, except such
 21 amount as is over and above that needed to defray the incidental expenses.

22 Section 99. KRS 164.410 is amended to read as follows:

23 (1) The governing board of **a postsecondary education**~~[an]~~ institution~~[of higher~~
 24 ~~education]~~ may purchase or lease land **pursuant to KRS 164A.575** for the purpose
 25 of securing the erection of buildings, and may receive by any legal mode of
 26 conveyance, purchase, and hold property **pursuant to KRS 164A.575** of any
 27 description that the board deems necessary for the purposes of the school, and may

1 build and construct improvements for such purposes and hold or sell the same. If a
 2 governing board is unable to agree with the owner of the real estate as to its value,
 3 or to its purchase, it may proceed in its own name to condemn the real estate in the
 4 manner provided in the Eminent Domain Act of Kentucky. Real estate acquired by
 5 purchase or condemnation shall be paid for out of money appropriated to the
 6 institution.

7 (2) The governing board of each institution shall periodically review the assets of the
 8 institution and shall sell and convey pursuant to KRS 164A.575 those assets not
 9 necessary for implementing the institutional mission. Proceeds from the disposition
 10 shall be deposited in the unexpended plant fund account or in the fund for excellence
 11 authorized by KRS 164A.620.

12 (3) Any real property acquired under this section shall be in name of the Commonwealth
 13 for the use and benefit of the institution.

14 Section 100. KRS 164.460 is amended to read as follows:

15 The president of each postsecondary education institution~~[of higher education]~~ shall
 16 make to his governing board written reports which shall contain a full account of receipts
 17 of money from all sources, amount, and purpose of disbursements thereof, and the
 18 condition of the university or college. The reports shall be made according to a schedule
 19 established by the board.

20 Section 101. KRS 164.4781 is amended to read as follows:

21 ~~[By the beginning of the 1986-87 school year,]~~ There shall be an interpreter training
 22 program at one (1) public institution of higher education to ensure that qualified
 23 interpreters are available to meet the needs of deaf and hard of hearing students attending
 24 the institutions of higher education. The Council on Postsecondary~~[Higher]~~ Education
 25 shall select an institution which has demonstrated expertise in training interpreters and is
 26 currently providing support services for deaf and hard of hearing students to develop and
 27 offer the training program. The program shall lead to a minimum of an associate degree in

1 interpreting.~~[By the beginning of the 1987-88 school year,]~~ The university shall
 2 implement an extension interpreter training program which shall move to different sites
 3 throughout the state from year to year. These programs shall be exempt from the normal
 4 student load requirements for a period of ten (10) years or until it can be clearly
 5 demonstrated that an adequate supply of interpreters is available in all parts of the state,
 6 whichever is later.

7 Section 102. KRS 164.540 is amended to read as follows:

8 (1) The Council on Postsecondary~~[Higher]~~ Education in Kentucky as defined in KRS
 9 164.011 is hereby designated as the agency of the Commonwealth of Kentucky
 10 charged with the responsibility and vested with all necessary authority, subject to the
 11 conditions and restrictions set out in subsection (2) of this section, to carry out the
 12 obligations, participate in the planning and negotiations, and administer the rights,
 13 benefits, and privileges, devolving upon the Commonwealth of Kentucky and its
 14 citizens pursuant to the regional compact referred to in KRS 164.530, and to do all
 15 such other acts and things as may be necessary or desirable to implement the
 16 provisions of said regional compact efficiently and impartially for the benefit of all
 17 citizens of the Commonwealth.

18 (2) In its participation in the regional compact, or in any other regional plan having a
 19 similar purpose, the Commonwealth of Kentucky shall not erect, acquire, develop,
 20 or maintain in any manner any educational institution within its borders to which any
 21 student would be refused entrance on the basis of race, national origin, gender,
 22 creed, or religion~~[Negroes will not be admitted on an equal basis with other races,~~
 23 ~~nor shall any Negro citizen of Kentucky be forced to attend any segregated regional~~
 24 ~~institution to obtain instruction in a particular course of study if there is in operation~~
 25 ~~within the Commonwealth at the time an institution that offers the same course of~~
 26 ~~study to students of other races.]~~

27 Section 103. KRS 164.580 is amended to read as follows:

(1) The ~~University of~~ Kentucky Community and Technical College System is established. Each community college shall provide:

~~(a)(1)~~ A general two (2) year academic curriculum with credits transferable to two (2) year and four (4) year colleges and universities;

~~(b)(2)~~ Technical and semiprofessional programs of two (2) years or less; and

~~(c)(3)~~ Within a two (2) year college curriculum, courses in general education, including adult education, not necessarily intended for transfer nor technically oriented; and

(d) Services to business and industry and the general public to provide continuing education and customized training for purposes of improving the knowledge and skills of Kentucky workers and citizens in all regions of the state.

(2) The Kentucky Community and Technical College System shall be responsive to the needs of students, business, and industry in all regions of the Commonwealth with accessible education and training to support the lifelong learning needs of Kentucky citizens in order to:

(a) Increase the basic academic and literacy skills of adults through adult basic education and remedial education services;

(b) Increase the technical skills and professional expertise of Kentucky workers through associate and technical degrees, diploma, and certificate programs;

(c) Increase the access for students to complete the prebaccalaureate associate degree in arts or associate degree in science for ease of transfer to four (4) year institutions;

(d) Enhance the relationship of credentials between secondary and postsecondary programs which permit secondary students to enter programs through early admission, advanced placement, or dual enrollment;

- 1 (e) Facilitate transfers of credit between certificate, diploma, technical, and
 2 associate degree programs;
- 3 (f) Develop a pool of educated citizens to support the expansion of existing
 4 business and industry and the recruitment of new business and industry;
- 5 (g) Enhance the flexibility and adaptability of Kentucky workers in an ever-
 6 changing and global economy through continuing education and
 7 customized training for business and industry;
- 8 (h) Promote the cultural and economic well-being of the communities
 9 throughout Kentucky; and
- 10 (i) Improve the quality of life for Kentucky's citizens.
- 11 (3) The board of regents shall award and confer associate degrees, technical degrees,
 12 diplomas, and certificates for programs within the system

13 Section 104. KRS 164.582 is amended to read as follows:

14 As used in KRS 164.583, unless the context otherwise requires: "Lower division academic
 15 course" means any academic course offered for college or university credit which is
 16 designated as a freshman or sophomore level academic course by the governing boards~~f~~
 17 ~~of trustees~~ of the four (4) year state colleges and universities and the Council on
 18 Postsecondary~~Higher~~ Education.

19 Section 105. KRS 164.583 is amended to read as follows:

- 20 (1) Each community college of the~~University of~~ Kentucky Community and Technical
 21 College System may offer, within the two (2) year academic curriculum of the
 22 college, any and all lower division academic courses offered for undergraduate credit
 23 at any and all of the four (4) year state supported colleges and universities.
- 24 (2) All lower division academic courses offered by the community colleges shall be
 25 transferable for academic credit to any and all four (4) year state supported colleges
 26 and universities, regardless of the number of academic credits earned by any student
 27 at one (1) or more community college.

(3) Nothing herein shall be construed or interpreted to change, reduce, or otherwise affect the required distribution between lower division and upper division courses now required for matriculation in an undergraduate program at any institution of higher education.

Section 106. KRS 164.591 is amended to read as follows:

A community college *or extension of a community college* shall be maintained in each of the following locations: Ashland, Carrollton, Cumberland, Elizabethtown, Glasgow, Henderson, Hopkinsville, Madisonville, Owensboro, *Paducah*, Prestonsburg, Somerset, Blackey-Hazard, Jefferson County and Mason County. *The University of Kentucky may continue to operate a community college in Lexington and Western Kentucky University may continue to operate a community college in Bowling Green. Regional universities may offer associate degree programs. Additional extension centers may be established by the board of regents for the Kentucky Community and Technical College System with approval of the Council on Postsecondary Education. New community colleges shall require approval of the General Assembly.*

Section 107. KRS 164.593 is amended to read as follows:

(1) The board of *regents for the Kentucky Community and Technical College System shall recognize previous actions under prior law.*

(2) ~~trustees of the University of Kentucky, (herein called board)~~ may include Paducah Junior College *may be included* in the system provided for by KRS 164.580 upon the concurrence of the board and the board of trustees of Paducah Junior College. Following the concurrence of the two (2) boards an agreement shall be executed between the board and the board of trustees providing for the conversion of the existing facilities of Paducah Junior College and containing other provisions the parties deem appropriate and desirable.

(3) ~~(2)~~ The agreement required by subsection *(2)* ~~(4)~~ may provide for the transfer to the board of any funds accruing to Paducah Junior College as the result of any

1 contract or agreement with any agency or instrumentality of the United States or the
 2 Commonwealth of Kentucky including any funds accruing pursuant to KRS
 3 164.027.

4 ~~(4)(3)~~ Upon the execution of the agreement required by subsection ~~(2)(1)~~, any taxes
 5 levied under KRS 165.170 or 165.175 and paid to the trustees shall continue to be
 6 received by the board of trustees of Paducah Junior College. However, the trustees
 7 may in the agreement, provide for the expenditure of the taxes levied for such
 8 purposes as the trustees and the board may mutually agree.

9 Section 108. KRS 164.594 is amended to read as follows:

10 (1) The community college in the Big Sandy Valley is designated as Prestonsburg
 11 Community College. The service area of Prestonsburg Community College shall
 12 include Pike County in its entirety.

13 (2) Course offerings in Pike County shall be expanded as necessary, to respond more
 14 fully to the higher and adult educational needs of the citizens of the area.

15 (3) ~~The University of~~ Kentucky Community ***and Technical*** College System may use
 16 private or state funds to purchase, renovate, and otherwise make available physical
 17 facilities in the Pike County area conducive to educational purposes.

18 Section 109. KRS 164.595 is amended to read as follows:

19 (1) The board ***of regents for the Kentucky Community and Technical College***
 20 ***System*** ~~has the same powers with respect to the community colleges that it has as to~~
 21 ~~the University of Kentucky in general. The board~~ shall designate each community
 22 college with a name that includes the words "Community College."

23 (2) The board shall encourage and may accept donations of land or funds or both to be
 24 used in the acquisition, construction, or operation of community colleges. The board
 25 may commemorate donations from private persons or corporations with suitable
 26 memorials.

(3) The board may accept federal grants to be used in the acquisition, construction, or operation of community colleges.

Section 110. KRS 164.597 is amended to read as follows:

~~[Upon prior concurrence of the board of trustees of the University of Kentucky and the board of regents of the Northern Kentucky University,]~~ The Northern Community College at Covington shall be operated by the board of regents of the Northern Kentucky University and shall ***not***~~[no longer]~~ be considered part of the~~[University of]~~ Kentucky Community ***and Technical*** College System. The board of regents of the Northern Kentucky University shall provide programs of a community college nature at Northern Community College at Covington comparable to those ***community colleges that make up the Kentucky Community and Technical College System defined in Section 3 of this Act***~~[listed for the University of Kentucky community college system, as provided in this chapter]~~.

Section 111. KRS 164.740 is amended to read as follows:

As used in KRS 164.740 to 164.785, the terms listed below shall have the following meanings:

- (1) "Authority" means the Kentucky Higher Education Assistance Authority.
- (2) "Board" means the board of directors of the Kentucky Higher Education Assistance Authority.
- (3) "Business school" means any business school which is accredited by the Association of Independent Colleges and Schools, the commission for business schools, or any successor, and which provides a program of study leading to the granting of a postsecondary degree or diploma.
- (4) "College" means any ***postsecondary education*** institution~~[of higher learning]~~ which is accredited by the Southern Association of Colleges and Schools, the commission on colleges, or any successor, and which provides a program of study leading to the granting of a postsecondary degree or diploma.

- 1 (5) "Eligible institution" means any educational institution or class of institutions
2 designated pursuant to the federal act or this chapter as eligible to participate in
3 authority-administered programs, provided that no right of participation shall be
4 deemed vested pursuant to this subsection in any institution, including, but not by
5 way of limitation, any college, school of nursing, vocational school, or business
6 school.
- 7 (6) "Eligible lender" means any entity described as eligible pursuant to the federal act to
8 make or originate insured student loans, provided that no right of participation shall
9 be deemed vested hereby in any lender.
- 10 (7) "Eligible student" means any student enrolled or accepted for enrollment at a
11 participating institution, meeting the criteria established by the federal act and this
12 chapter for the various authority administered programs.
- 13 (8) "Endorser" means a person who signs a student loan promissory note as an
14 accommodation party, in the manner of KRS 355.3-415, and is secondarily liable for
15 payment on such note.
- 16 (9) "Federal Act" means the Higher Education Act of 1965, Public Law 89-329, as
17 amended.
- 18 (10) "Grant" means a gift of money, tuition discount, waiver of tuition and fees, or other
19 monetary award that requires neither employment nor repayment, except under
20 conditions prescribed by the board, and is based on demonstrated financial need and
21 such other terms and conditions as the board may prescribe.
- 22 (11) "Honorary scholarship" means a certificate of merit or achievement or other
23 appropriate document which may be issued by the board to students in recognition
24 of superior academic ability or achievement or a special talent.
- 25 (12) "Insured student loan" means a loan to an eligible borrower, who is qualified under
26 the federal act, on which the payment of principal and interest is insured as

1 evidenced by a loan guarantee issued by the authority and reinsured by the secretary
2 under the federal act.

3 (13) "Loan" means an advance of money, to be used exclusively for payment of
4 educational expenses, evidenced by a promissory note or similar instrument requiring
5 repayment under specified conditions.

6 (14) "Loan guarantee" means the certificate, document, or endorsement issued by the
7 authority as evidence of insurance of a loan as to both principal and interest and of
8 reinsurance by the secretary under the federal act.

9 (15) "Participating institution" means any eligible institution, to the extent that it offers an
10 eligible program of study, having a contract in force with the authority, if required by
11 the authority, on such terms as the authority may deem necessary or appropriate to
12 the administration of its programs.

13 (16) "Participating lender" means any eligible lender, including the authority and the
14 Kentucky Higher Education Loan Corporation, which has in force a contract with
15 the authority providing for loan guarantee to be issued by the authority under the
16 federal act and this chapter.

17 (17) "Penal institution" means any penitentiary, detention facility, adult correctional
18 facility, jail, or other similar institution operated by the state, local, or federal
19 government or by private business.

20 (18) "Recognition award" means an advance of money to or on behalf of a student in
21 recognition of superior academic ability, achievement or special talent.

22 (19) "Scholarship" means a gift of money to provide an incentive for fulfillment of a
23 particular public purpose which may be based on financial need and superior
24 academic ability or achievement or a special talent and such other terms and
25 conditions as the board may prescribe.

26 (20) "School of nursing" means any training program in the field of nursing, including one
27 regarding nurse aides, which is accredited by the Kentucky Board of Nursing

1 Education and Nurse Registration, or any successor, and which provides a program
2 of study leading to the granting of a postsecondary degree or diploma.

3 (21) "Secretary" means the United States Secretary of Education.

4 (22) "Vocational school" means any public vocational school, technical institute, or
5 technology center which is managed and controlled by the board of regents for the
6 Kentucky Community and Technical System~~{State Board for Adult and Technical~~
7 ~~Education}~~ and which provides a course of study leading to the granting of a
8 postsecondary certificate or diploma, or a vocational technical school accredited by
9 the national association of trade and technical schools, or any successor, which
10 provides a program of study leading to the granting of a postsecondary degree,
11 diploma, or certificate.

12 (23) "Work study" means an award of money disbursed by the board at specified intervals
13 to students, or as reimbursement to employers of students, who provide needed
14 services for a specified number of hours in a capacity approved by the board.

15 Section 112. KRS 164.746 is amended to read as follows:

16 (1) The authority shall be governed, all of its powers shall be exercised, and its duties
17 and functions shall be performed by a board of directors. The board shall consist of
18 seven (7) voting members who shall be appointed by the Governor. In addition, the
19 executive director of the Council on Postsecondary~~[Higher]~~ Education and the
20 secretary of the Department of Finance shall serve as nonvoting ex officio members.
21 The term of office of appointed members shall be four (4) years. Each member shall
22 serve for the term for which he is appointed and until his successor is appointed.

23 (2) Appointments to fill vacancies on the board shall be made in the same manner as
24 regular appointments. The person appointed shall hold the position for the unexpired
25 portion of the term only.

26 (3) The board shall elect from its voting membership a chairman and chairman-elect who
27 shall each serve for a term of one (1) year. At the conclusion of the chairman's term

1 of office, the chairman-elect shall become chairman for the succeeding year and the
2 board shall elect from its voting membership a new chairman-elect.

3 (4) Board members shall receive compensation for their services, in the amount of sixty-
4 five dollars (\$65) per day, and may be reimbursed for actual and necessary expenses
5 incurred in the performance of their duties under KRS 164.740 to 164.785.

6 (5) The board shall provide for the holding of regular meetings and special meetings.

7 (a) A majority of the voting members shall constitute a quorum for the transaction
8 of any business, special meetings shall be called by the chairman in accordance
9 with KRS 61.823, and either the chairman or the chairman-elect shall be
10 present for the transaction of any business.

11 (b) In lieu of personal attendance by members of the board of directors at the same
12 location, the board of directors may conduct meetings by teleconference or
13 other available technological means suitable for conducting its business.
14 Meetings of the board shall be open and accessible to the public in accordance
15 with KRS 61.805 to 61.850, and any alternate method of conducting a meeting
16 in lieu of personal attendance shall ensure public access.

17 (6) The board shall adopt bylaws and policies governing its internal affairs and the
18 conduct of its business, and shall adopt administrative regulations pursuant to KRS
19 Chapter 13A, not inconsistent with law, in connection with the administration of the
20 authority's programs and the performance of its functions and duties.

21 (7) The board may:

22 (a) Appoint such officers and employees as necessary and may fix their
23 compensation, and shall prescribe their duties notwithstanding personnel limits
24 established by KRS 18A.010 or the biennial budget and its related documents;
25 and

26 (b) Adopt the provisions of KRS 45A.345 to 45A.460, pursuant to KRS 45A.343.
27 Section 113. KRS 164.753 is amended to read as follows:

- 1 (1) In the instance of loans the rules and regulations adopted by the board may include,
2 but not be limited to, those which:
 - 3 (a) Are necessary to qualify the authority as an insured lender under the Higher
4 Education Act of 1965, as amended;
 - 5 (b) Require that loans be made only to those eligible students who are unable to
6 secure comparable loans from private lenders; and
 - 7 (c) Are necessary to qualify the authority as a lender under the Public Health
8 Service Act, as amended.
- 9 (2) In the instance of insured student loans and loan guarantees the rules and regulations
10 adopted by the board shall include, but not be limited to, those which are necessary
11 to qualify the authority to insure loans under the federal act, as amended, and
12 following such qualification to issue loan guarantees to participating lenders on any
13 loans advanced by such lenders to eligible students attending or planning to attend
14 any participating institution, except that the total amount of all insured student loans
15 that may be guaranteed by the authority shall not at any time exceed fifteen (15)
16 times the loan guarantee fund balance. In determining the total amount of insured
17 student loans that may be guaranteed by the authority there shall be excluded from
18 the computation of required loan guarantee fund balances eighty percent (80%) of
19 the amount of insured student loans which are reinsured with the United States or
20 any agency thereof pursuant to the federal act.
- 21 (3) In the instance of scholarships the rules and regulations adopted by the board shall
22 include, but not be limited to, those which:
 - 23 (a) Specify ways in which superior academic achievement or ability or special
24 talents will be identified and measured;
 - 25 (b) Ensure that the amount of scholarship to a student attending or planning to
26 attend a participating institution will not exceed the financial need of the

- 1 student as determined in accordance with paragraph (f) of this subsection, or
 2 the maximum scholarship as established by the board, whichever is less;
- 3 (c) Restrict scholarships to persons who are classified as resident students under
 4 the rules and regulations of the Council on Postsecondary~~Higher~~ Education
 5 and are not planning to enroll or are not enrolled in a program of study leading
 6 to a certificate, diploma or degree in theology, divinity or religious education;
- 7 (d) Ensure that scholarships are awarded only to eligible students who have
 8 applied for such federal, state or institutional student financial assistance
 9 programs as the authority may require;
- 10 (e) Ensure that scholarships are awarded only to eligible students who are
 11 planning to enroll, accepted for enrollment, or are enrolled as full-time students
 12 in a participating institution; and
- 13 (f) Ensure, by such needs analysis as the authority may require, that the person is
 14 in need of the assistance in order to enroll in or complete an eligible program
 15 of study as defined by the board.
- 16 (4) In the instance of grants the rules and regulations adopted by the board shall include,
 17 but not be limited to, those which:
- 18 (a) Ensure that the amount of a grant to a student will not exceed the financial
 19 need of the student as determined in accordance with paragraph (e) of this
 20 subsection or the maximum grant as established by the board, whichever is
 21 less;
- 22 (b) Restrict grants to persons who are classified as resident students under the
 23 rules and regulations of the Postsecondary~~Council~~ on Higher Education and
 24 are not planning to enroll or are not enrolled in a program of study leading to a
 25 certificate, diploma or degree in theology, divinity or religious education;

- 1 (c) Ensure that grants are awarded only to eligible students who have applied for
- 2 such federal, state, or institutional student financial assistance programs as the
- 3 authority may require;
- 4 (d) Ensure that grants are awarded only to eligible students who are planning to
- 5 enroll, accepted for enrollment, or are enrolled as full-time students in a
- 6 participating institution; and
- 7 (e) Ensure, by such needs analysis as the authority may require, that grants be
- 8 made only to students who have insufficient financial resources to enroll in or
- 9 complete an eligible program of study as defined by the board.
- 10 (5) Funds appropriated to the financial assistance program established by KRS 164.780
- 11 and 164.785 shall be administered by the board in accordance with the provisions of
- 12 KRS 164.780 and 164.785.
- 13 (6) In the instance of work-study payments, rules and regulations adopted by the board
- 14 shall include, but not be limited to, those which require that:
- 15 (a) The employment opportunity available for the student will not interfere with
- 16 the student's normal progress toward a degree, diploma or certificate;
- 17 (b) Contracts to promote increased employment opportunities for eligible students
- 18 will not result in the displacement of employed workers or impair existing
- 19 contracts for services; and
- 20 (c) The work-study payment will not exceed the financial need of the student or
- 21 the maximum payment as established by the board, whichever is less.

22 Section 114. KRS 164.785 is amended to read as follows:

- 23 (1) The State of Kentucky shall grant an amount as provided in KRS 164.780 and this
- 24 section to any applicant who meets the following qualifications:
- 25 (a) Is a Kentucky resident as defined by the Kentucky Council on
- 26 Postsecondary~~Higher~~ Education;

- 1 (b) Has been accepted by or is enrolled as a full time student in a Kentucky
- 2 independent nonprofit college or university which is accredited by the
- 3 Southern Association of Colleges and Schools and whose institutional
- 4 programs are not comprised solely of a sectarian instruction;
- 5 (c) Is not enrolled in a program of study leading to a degree in theology, divinity,
- 6 or religious education; and
- 7 (d) Has not previously attended college or university for more than seven (7)
- 8 semesters or the equivalent.
- 9 (2) The amount of the tuition grant to be paid to a student each semester, or appropriate
- 10 academic term, shall be determined by the Kentucky Higher Education Assistance
- 11 Authority.
- 12 (3) The maximum amount shall not exceed fifty percent (50%) of the average state
- 13 appropriation per full-time equivalent student enrolled in all public institutions of
- 14 higher education. Such tuition grants are to be calculated annually by the Kentucky
- 15 Higher Education Assistance Authority.
- 16 (4) The need of each applicant shall be determined by acceptable need analysis such as
- 17 the parents' confidential statement of the college scholarship service, and such other
- 18 analyses as the authority may determine, subject to the approval by the U.S.
- 19 Secretary of Education.
- 20 (5) An adjustment shall be made in the tuition grant of any student awarded a
- 21 scholarship from any other source provided the combination of grants and awards
- 22 exceeds the calculated need of the student.

23 Section 115. KRS 164.810 is amended to read as follows:

- 24 (1) As used in KRS 164.810 to 164.870, the following terms shall have, unless the
- 25 context shall otherwise indicate, the following meanings:

1 (a) "University of Louisville" means the university which is situated in a city of the
 2 first class, and which has heretofore constituted a municipal university within
 3 the meaning and application of KRS 165.010, et seq.;

4 (b) "Council" means the Council on Postsecondary~~Higher~~ Education in
 5 Kentucky.

6 (2) Consistent with the provisions of KRS 164.026 and Chapter 239 of the 1968
 7 Kentucky Acts, the University of Louisville shall be maintained as a state institution
 8 effective July 1, 1970, subject to its qualification to receive the benefits of such
 9 status in the manner set forth in subsection (3) of this section.

10 (3) The University of Louisville, having been chartered by Chapter 137, Acts of 1845-6,
 11 approved February 7, 1846, effective in accordance with its terms on March 15,
 12 1846; having become subject to the laws of the Commonwealth generally applicable
 13 to corporations of the same category according to the import of subsection
 14 seventeen of Section 59 of the present Constitution of the Commonwealth; and
 15 having duly filed in the office of the Secretary of State its acceptance of the present
 16 Constitution of the Commonwealth in accordance with Section 190 thereof; may
 17 qualify to receive the benefits of its status as a state institution, as provided in KRS
 18 164.810 to 164.870, by action of its board of trustees in adopting and causing to be
 19 filed for public record such proceedings as are required by law, amending its charter
 20 or articles of incorporation in such manner as to conform to the provisions of KRS
 21 164.810 to 164.870.

22 Section 116. KRS 164.815 is amended to read as follows:

23 (1) The University of Louisville shall provide:

24 (a) Upon approval of the Council on Postsecondary~~Higher~~ Education, associate
 25 and baccalaureate degree programs of instruction;

26 (b) Upon approval of the Council on Postsecondary~~Higher~~ Education, masters
 27 degree programs, specialist degrees above the masters degree level, doctoral

1 degree programs, and joint doctoral programs in cooperation with other state-
2 supported institutions of higher education;

3 (c) Upon approval of the Council on Postsecondary~~[Higher]~~ Education,
4 professional degree programs including medicine, dentistry, law, engineering,
5 and social professions.

6 (2) The University of Louisville is authorized to provide programs of a community
7 college nature in its own community comparable to those listed for the community
8 college system as provided in this chapter.

9 (3) The University of Louisville shall continue to be a principal university for the
10 conduct of research and service programs without geographical limitation but
11 subject to the implied limitation of KRS 164.125(2).

12 Section 117. KRS 164.821 is amended to read as follows:

13 (1) The government of the University of Louisville is vested in a board of trustees
14 appointed for a term set by law pursuant to Section 23 of the Constitution of
15 Kentucky. The board shall consist of seventeen (17) members appointed by the
16 Governor; one (1) member of the teaching faculty of the University of Louisville
17 who shall be the chief executive of the ranking unit of faculty government; a member
18 of the permanent staff of the University of Louisville who shall be the chief executive
19 of the staff senate; and a student member who shall be the president of the student
20 body during the appropriate academic year.

21 (a) All board members appointed after the effective date of this Act shall be
22 required to attend and complete an orientation program prescribed by the
23 council pursuant to Section 66 of this Act as a prerequisite to their
24 appointment.

25 (b) Board members may be removed by the Governor for cause, which shall
26 include neglect of duty or malfeasance in office, after being afforded a

hearing with counsel before the Council on Postsecondary Education and a finding of fact by the council.

- (2) If the student member does not maintain his position as student body president or his status as a full-time student at any time during that academic year a special election shall be held to select a full-time student member. The student member shall serve for a term of one (1) year beginning with the first meeting of the fiscal year which contains that academic year.
- (3) The faculty member, staff member, and student body member shall cease to be eligible for membership on the board of trustees upon termination of their respective relationships with the university, and vacancies occurring for this reason shall be filled for the remainder of the respective terms in the same manner. The seventeen (17) citizen members of the board shall annually elect one (1) of their number to serve as chairperson of the board.
- (4) The gubernatorial appointments shall serve a term of six (6) years and until their successors are appointed and qualified, except the initial terms shall be as follows:
- (a) Two (2) members shall serve one (1) year terms;
 - (b) Three (3) members shall serve two (2) year terms;
 - (c) Three (3) members shall serve three (3) year terms, one (1) of whom shall be a graduate of the university, selected from a list of three (3) names submitted by the alumni of the university in the manner and according to rules prescribed by the board of trustees;
 - (d) Three (3) members shall serve four (4) year terms;
 - (e) Three (3) members shall serve five (5) year terms; and
 - (f) Three (3) members shall serve six (6) year terms, one (1) of whom shall be a graduate of the university, selected as under paragraph (c) of this subsection.
- (5) The Governor shall make his at-large appointments so as to divide the citizen representation upon the board to reflect proportional representation of the two (2)

1 leading political parties in the Commonwealth based on the state's voter registration
 2 and shall reflect no less than proportional representation of the minority racial
 3 composition of the Commonwealth. The membership may include one (1) graduate
 4 of the institution who resides outside the Commonwealth, but he shall not be
 5 reimbursed for out-of-state travel.

6 (6) Vacancies among the citizen members of the board occurring by death, resignation,
 7 or any other cause shall be filled by appointments made by the Governor for the
 8 expiration of the term, subject to the qualifications set forth in this section.

9 (7) No member of the teaching or administrative staff of the university shall be directly
 10 or indirectly interested in any contract with the university for the sale of property,
 11 materials, supplies, equipment, or services, with the exception of compensation to
 12 the faculty, staff and student members.

13 Section 118. KRS 164.915 is amended to read as follows:

14 By July 1, 1991, the Colleges of Medicine at the University of Kentucky and the
 15 University of Louisville shall submit to the Council on Postsecondary~~Higher~~ Education a
 16 joint plan which defines an optional course of medical education for family practice and
 17 general practice physicians in a period of six (6) years following completion of secondary
 18 school. Family practice residency programs shall be completed in the two (2) years
 19 subsequent to the completion of medical education.

20 Section 119. KRS 164.927 is amended to read as follows:

21 The University of Kentucky and the University of Louisville, and their affiliated programs
 22 are hereby authorized to increase the number of residency positions for medical school
 23 graduates in primary care disciplines from the fiscal 1976 level by a total of seventy-six
 24 (76) additional positions during the 1977-78 biennium. These new positions shall be
 25 established in the following manner:

26 (1) For the fiscal year 1977 there shall be established twenty-eight (28) new positions;
 27 for fiscal year 1978 there shall be forty-eight (48) new positions.

1 (2) To provide adequate faculty supervision for these new residency positions, one (1)
 2 faculty position (1 FTE) is hereby authorized for each additional four (4) new
 3 residency positions established under the provisions of KRS 164.925 to 164.933.

4 (3) The number of the residency positions to be established at the University of
 5 Kentucky and at the University of Louisville shall be determined by the Council on
 6 Postsecondary~~Higher~~ Education, using the policies and procedures for determining
 7 the allocation of these new residency positions as provided in KRS 164.929.

8 Section 120. KRS 164.929 is amended to read as follows:

9 (1) All new residency positions shall be sponsored by the University of Kentucky or the
 10 University of Louisville. The residency positions created by KRS 164.927 shall be
 11 served in sites approved by the appropriate specialty board for certification and by
 12 the Council on Postsecondary~~Higher~~ Education.

13 (2) Funding priority shall be given to programs in which all or a portion of the residency
 14 occurs in sites away from both the University of Kentucky and the University of
 15 Louisville.

16 (3) Each individual serving a residency under KRS 164.927 shall, within the total period
 17 of residency, undertake a minimum of three (3) months education in a community
 18 facility in Kentucky outside the counties of Fayette and Jefferson, or in any
 19 institution serving a medically underserved community as designated by the United
 20 States Department of Health, Education and Welfare, subject to the approval of the
 21 certifying board in each specialty, provided however that not more than twenty-five
 22 percent (25%) of the individuals from each university funded under this section shall
 23 be permitted to satisfy the three (3) month requirement in a medically underserved
 24 area in the counties of Fayette and Jefferson.

25 (4) The University of Kentucky and the University of Louisville shall recommend
 26 policies and procedures for determining the allocation of new residency positions for

1 approval by the Council on Postsecondary~~Higher~~ Education using the following
 2 criteria:

- 3 (a) The available or expected number and types of qualified faculty necessary for
 4 the proper degree of supervision and teaching;
- 5 (b) The scope and volume of patient care;
- 6 (c) The amount of available physical facilities;
- 7 (d) The current number and types of residency positions offered at each university;
- 8 (e) Regional needs for the manpower trained under the provisions of KRS
 9 164.927 to 164.933;
- 10 (f) The extent of involvement in education in primary care in ambulatory care
 11 settings; and
- 12 (g) Any other criteria which may be developed by the University of Kentucky and
 13 the University of Louisville and accepted by the Council on
 14 Postsecondary~~Higher~~ Education.

15 Section 121. KRS 164.933 is amended to read as follows:

16 The Council on Postsecondary~~Higher~~ Education shall coordinate the activities of the
 17 participating institutions, as described in KRS 164.925 to 164.931, to insure a
 18 comprehensive program for training individuals for the delivery of primary care in the
 19 Commonwealth.

20 Section 122. KRS 164.937 is amended to read as follows:

21 The University of Kentucky shall develop a Center of Excellence for Rural Health Care to
 22 collect and maintain statistical and other information relating to health manpower needs,
 23 health care delivery research, health policy, and health problems unique to rural
 24 populations and shall:

- 25 (1) Coordinate clinical rotations for health science students;
- 26 (2) Maintain the rural health science library;

- 1 (3) Establish a family practice residency program at a regional public medical center
2 with decentralized clinical practice sites;
 - 3 (4) Develop an accelerated program to enable registered nurses with associate degrees
4 to pursue a masters degree in nursing in locations on and off affiliated college
5 campuses;
 - 6 (5) Coordinate the placement of emergency medicine clinics in rural hospitals;
 - 7 (6) Implement the provisions of KRS 164.935;
 - 8 (7) Maintain clinical training sites for students in the health professions;
 - 9 (8) Establish and coordinate associate degree and bachelor degree programs for the
10 education of physical therapists in a rural area;
 - 11 (9) Establish and coordinate associate degree and bachelor degree programs in
12 laboratory technology in a rural area; and
 - 13 (10) Provide continuing education for health care professionals.
- 14 The University of Kentucky shall report to the Council on Postsecondary~~[Higher]~~
15 Education and the Legislative Research Commission a detailed, audited statement of
16 expenditures for each program function in the Center of Excellence for Rural Health Care
17 by September 1 of each year which enumerates expenditures for the preceding fiscal year.

18 Section 123. KRS 164.947 is amended to read as follows:

- 19 (1) The Council on Postsecondary~~[Higher]~~ Education by regulation shall adopt
20 standards and procedures for the licensing of colleges to ensure that the programs of
21 preparation are comparable to the generally accepted standards of collegiate
22 instruction with respect to faculty, curriculum, facilities, and student cost and that
23 there is full disclosure with respect to the philosophy and purposes of the institutions
24 and their capacity to fulfill these objectives.
- 25 (2) Nothing contained in KRS 164.945 to 164.947 is intended in any way nor shall be
26 construed to regulate the stated purpose of a nonpublic college or to restrict
27 religious instruction or training in a nonpublic college.

1 (3) All colleges as defined herein shall be required to hold a license issued by the
 2 president~~[executive director]~~ of the Council on Postsecondary~~[Higher]~~ Education
 3 under the provisions of KRS 164.945 to 164.947 and under the regulations of the
 4 Council on Postsecondary~~[Higher]~~ Education. Within ninety (90) days of July 13,
 5 1990, all colleges shall be required to hold licenses.

6 (4) The designated use of the title "college" or "university" in combination with any
 7 series of letters, numbers or words shall be restricted to the institutions licensed
 8 under KRS 164.945 to 164.947 except that new branches, divisions, or additions to
 9 existing institutions shall be licensed.

10 Section 124. KRS 164.981 is amended to read as follows:

11 As used in KRS 164.981 to 164.9819:

12 (1) "Autism" means a developmental disability significantly affecting verbal and
 13 nonverbal communication and social interaction, generally evident before age three
 14 (3), that adversely affects educational performance. Characteristics of autism
 15 include:

- 16 (a) Irregularity and impairment in communication;
- 17 (b) Engagement in repetitive activity and stereotyped movement;
- 18 (c) Resistance to environmental change or change in daily routine; and
- 19 (d) Unusual responses to sensory experience.

20 The term does not include children with characteristics of an emotional-behavioral
 21 disability as defined in KRS 157.200;

22 (2) "Council" means the Council on Postsecondary~~[Higher]~~ Education in Kentucky;

23 (3) "Center" means the autism training center;

24 (4) "Client" means a person with the primary diagnosis of autism or autistic-like
 25 behavior; and

1 (5) "Expenses" means those reasonable and customary expenditures related to training
 2 and treatment of eligible clients as defined in administrative regulations promulgated
 3 by the council pursuant to KRS 13A.

4 Section 125. KRS 164.9811 is amended to read as follows:

- 5 (1) The Council on Postsecondary~~[Higher]~~ Education in Kentucky is authorized to
 6 operate a state autism training center, including:
- 7 (a) The acquisition by purchase, lease, gift, or otherwise of necessary lands;
 - 8 (b) The construction of necessary buildings;
 - 9 (c) The expansion, remodeling, altering, or equipping of necessary buildings; and
 - 10 (d) The making of contracts by the council or its designee with any nonprofit
 11 institution, or any state, county, or local agency for the equipment, expenses,
 12 compensation of personnel, operation, and maintenance of any facility of an
 13 agency or institution used for the purposes of KRS 164.981 to 164.9819.
- 14 (2) The council shall select and contract with a public institution of higher education to
 15 carry out the provisions of KRS 164.981 to 164.9819.

16 Section 126. KRS 164A.050 is amended to read as follows:

- 17 (1) There is hereby created and established an independent de jure municipal corporation
 18 and political subdivision of the Commonwealth of Kentucky which shall be a body
 19 corporate and politic to be known and identified as the Kentucky Higher Education
 20 Student Loan Corporation.
- 21 (2) The Kentucky Higher Education Student Loan Corporation is created and
 22 established as an independent de jure municipal corporation and political subdivision
 23 of the Commonwealth of Kentucky to perform essential governmental and public
 24 functions and purposes in improving and otherwise promoting the educational
 25 opportunities of the citizens and inhabitants of the Commonwealth of Kentucky and
 26 other qualified students by a program of financing, making, and purchasing of
 27 insured student loans.

- 1 (3) The corporation shall be governed by a board of directors consisting of seven (7)
2 members, four (4) of whom shall be chosen from the general public residing in the
3 Commonwealth of Kentucky and three (3) of whom shall be the chairman of the
4 Council on Postsecondary~~Higher~~ Education, the secretary of the Finance and
5 Administration Cabinet, and the chairman of the Kentucky Higher Education
6 Assistance Authority.
- 7 (4) The Governor shall appoint the four (4) directors from the general public to take
8 office and to exercise all powers thereof immediately. Of the new members of the
9 corporation so appointed, two (2) shall continue in office for a term of four (4)
10 years, and two (2) shall continue in office for a term of three (3) years. All
11 succeeding terms shall be for a period of four (4) years each. Each director shall
12 serve for the appointed term and until a successor has been appointed and has duly
13 qualified.
- 14 (5) In the event of a vacancy, the Governor may appoint a replacement director who
15 shall hold office during the remainder of the term so vacated.
- 16 (6) The Governor may remove any director from the general public in case of
17 incompetency, neglect of duties, gross immorality, or malfeasance in office; and may
18 thereupon declare such office vacant and may appoint a person to fill such vacancy
19 as provided in other cases of vacancy.
- 20 (7) The board shall elect from its voting membership a chairman, secretary, and
21 treasurer. The executive director of the Kentucky Higher Education Assistance
22 Authority shall serve as executive director of the corporation.
- 23 (8) The executive director shall administer, manage, and direct the affairs and business
24 of the corporation, subject to the policies, control, and direction of the board of
25 directors of the corporation. The secretary of the corporation shall keep a record of
26 the proceedings of the corporation and shall be custodian of all books, documents,
27 and papers filed with the corporation, the minute book or journal of the corporation,

1 and its official seal. The secretary may copy all minutes and other records and
2 documents of the corporation and give certificates under the official seal of the
3 corporation to the effect that such copies are true copies and all persons dealing with
4 the corporation may rely upon such certificates.

5 (9) A majority of the board of directors of the corporation shall constitute a quorum for
6 the purpose of conducting its business and exercising its powers and for all other
7 purposes notwithstanding the existence of any vacancies in respect of the board of
8 directors.

9 (10) Official actions may be taken by the corporation at meetings duly called by the
10 chairman upon three (3) days' written notice to each director or upon the
11 concurrence of at least a majority of the directors.

12 (11) Directors shall receive no compensation for their services but shall be entitled to
13 payment of any reasonable and necessary expense actually incurred in discharging
14 their duties under this chapter.

15 (12) The Kentucky Higher Education Assistance Authority, the "guarantee agency", shall
16 provide technical, clerical, and administrative assistance to the corporation, together
17 with necessary office space and personnel, and shall assist the corporation in all ways
18 by the performance of any and all actions which may be useful or beneficial to the
19 corporation in the performance of its public functions as an independent de jure
20 municipal corporation and political subdivision of the Commonwealth of Kentucky
21 charged with the responsibility of financing, making, and purchasing of insured
22 student loans. The corporation shall enter into such contracts with the guarantee
23 agency as shall be proper and appropriate in respect of such services which may
24 include, but not by way of limitation, servicing and collection of insured student
25 loans.

26 Section 127. KRS 164A.550 is amended to read as follows:

27 As used in KRS 164A.555 to 164A.630 unless the context otherwise requires:

- 1 (1) "Governing board" means the board of trustees or board of regents constituting the
 2 corporate bodies established by KRS 164.160 and 164.310 and the board of regents
 3 for the Kentucky Community and Technical College System defined in Section 3
 4 of this Act for the purpose of governing universities and colleges and technical
 5 institutions.
- 6 (2) "Institutions" means all public supported postsecondary education institutions~~[-of~~
 7 ~~higher education]~~ in Kentucky recognized in KRS 164.100, 164.290, Section 103 of
 8 this Act, or 164.810(1)(a).
- 9 (3) "Affiliated corporation" means a corporate entity which is not a public agency and
 10 which is organized pursuant to the provisions of KRS Chapter 273 over which an
 11 institution exercises effective control, by means of appointments to its board of
 12 directors, and which could not exist or effectively operate in the absence of
 13 substantial assistance from an institution.
- 14 (4) "Depository bank" means any bank so designated by the Treasurer of the
 15 Commonwealth as appropriate for receiving public moneys.
- 16 Section 128. KRS 164A.560 is amended to read as follows:
- 17 (1) The governing boards of the postsecondary education~~[public]~~ institutions~~[-of higher~~
 18 ~~education]~~ electing to perform in accordance with KRS 164A.555 to 164A.630
 19 regarding the acquisition of funds, accounting, purchasing, capital construction and
 20 affiliated corporations shall do so by regulation. The responsibility for this election is
 21 vested with the governing boards, any other statute to the contrary notwithstanding.
 22 The governing board may delegate these responsibilities by regulation to appropriate
 23 officials of the institution. The anticipated investment earnings which have been
 24 credited to the general fund and the anticipated investment earnings on funds in the
 25 capital construction account, excluding revenue bonds, for fiscal years 1982-83 and
 26 1983-84 may be deducted from the respective institution's trust and agency funds on
 27 deposit prior to the issuance of a check or transfer to the governing board.

1 (2) The governing boards of institutions may elect to receive, deposit, collect, retain,
 2 invest, disburse, and account for all funds received or due from any source including,
 3 but not limited to, state and federal appropriations for the support or maintenance of
 4 the general operations or special purpose activities of such institutions. In the event
 5 of such election by the governing board:

6 (a) The treasurer of the *institution*~~[university]~~ shall deposit on a timely basis all
 7 tuition fees, fees for room and board, incidental fees, contributions, gifts,
 8 donations, devises, state and federal appropriations, moneys received from
 9 sales and services, admittance fees, and all other moneys received from any
 10 source, in a depository bank or banks designated by the governing board.

11 (b) The governing board shall promulgate rules and regulations limiting
 12 disbursements to the amounts and for the purposes for which state
 13 appropriations have been made, or for which other moneys have been received.
 14 All disbursements shall be recorded in a system of accounts as set forth in KRS
 15 164A.555 to 164A.630. The treasurer of each institution shall prescribe forms
 16 to be used with the system of accounts, and no treasurer shall approve any
 17 disbursement document unless he determines that the disbursement is to satisfy
 18 a liability of the institution incurred for authorized purposes and that the
 19 disbursement is to be made from the unexpended balance of a proper
 20 allotment.

21 Section 129. KRS 164A.565 is amended to read as follows:

22 (1) The governing board of each *postsecondary education institution*~~[university]~~
 23 making the election authorized in KRS 164A.560 shall as a condition of such
 24 election install an accrual basis accounting system conforming with generally
 25 accepted accounting principles and procedures established for colleges and
 26 universities by the National Association of College and University Business Officers

1 and the American Institute of Certified Public Accountants. The accounting system
2 shall include but not be limited to the following fund structure:

3 (a) An operating fund group (unrestricted current funds), consisting of all moneys
4 not otherwise restricted, available for general operations, including state
5 appropriations, federal funds, and unrestricted institutional receipts. Separate
6 accounting fund groups may be established for auxiliary enterprises, athletics,
7 hospitals, and other similar operations;

8 (b) A restricted fund group consisting of appropriations and other receipts
9 restricted as to purpose which shall not be included in the operating fund;

10 (c) A loan fund group consisting of gifts, grants, and other funds provided and
11 available for loans to students;

12 (d) An endowment fund group consisting of funds, the principal of which is not
13 currently expendable;

14 (e) An agency fund group consisting of resources held by the institutions as
15 custodian or fiscal agent for individual students, faculty, staff members and
16 organizations;

17 (f) A plant fund group consisting of:

18 1. Unexpended plant funds to be used for the acquisition of long lived
19 assets for institutional purposes (capital construction funds);

20 2. Funds for renewal, maintenance, and replacement of institutional
21 buildings, equipment and other properties; and

22 3. Funds set aside for debt service charges and retirement of indebtedness
23 on institutional plant.

24 (2) A record of each general fund appropriation shall be maintained so as to identify the
25 institutional budgets to which such funds are allotted. Any uncommitted state
26 general funds remaining after the close of business on the last day of the fiscal year
27 shall lapse and be returned to the Treasury of the Commonwealth. Each

1 appropriation shall be used for the intended purpose and where questions of intent
2 arise subject to the provisions of KRS 45.750 and 45.800 in the case of capital
3 construction projects and major items of equipment as defined by these sections, the
4 decision of the secretary of finance and administration, based upon budget work
5 papers, shall be final.

6 (3) A separate account showing sources of revenue and all expenditures shall be
7 maintained for each capital construction project. At the end of each fiscal year, a
8 report containing a listing of all capital construction projects, with sources of funds,
9 expenditures and current status for each, shall be submitted to the Capital Projects
10 and Bond Oversight Committee.

11 (4) Within thirty (30) days after July 15, 1982, the secretary of the Finance and
12 Administration Cabinet shall submit to the Capital Projects and Bond Oversight
13 Committee a complete record of all funds and project records transferred to
14 institutions under the provisions of KRS 164A.555 to 164A.630.

15 (5) Within thirty (30) days after July 15, 1982, the governing boards shall submit to the
16 Capital Projects and Bond Oversight Committee a report containing a complete list
17 of capital construction projects and unexpended plant funds in existence on July 15,
18 1982. The source of funds, expenditures and current status of each project shall be
19 shown.

20 (6) State general funds appropriated by the General Assembly for capital construction
21 projects and equipment purchases as defined in KRS 45.750 through 45.800 shall
22 not lapse at the end of a fiscal year. They shall be carried forward until the project is
23 completed. Any such unexpended funds remaining after acceptance of the project as
24 complete shall be returned to a surplus account of the capital construction fund for
25 investment until appropriated and allotted as provided in KRS 45.750 through
26 45.800.

1 (7) Long lived assets of the institution, including land, buildings, and capital equipment
2 shall be accounted for in the plant fund group.

3 (8) The governing boards of each institution shall make an annual report of the financial
4 activity to the Council on Postsecondary~~[Higher]~~ Education. The report shall meet
5 the requirements of the council's system of uniform financial reporting for
6 institutions of higher education.

7 Section 130. KRS 164A.570 is amended to read as follows:

8 The governing board of any postsecondary education institution~~[university]~~ making the
9 election prescribed in KRS 164A.560 shall engage a qualified firm of certified public
10 accountants experienced in the auditing of institutions to conduct an annual examination
11 of the institution's financial statements in accordance with generally accepted auditing
12 standards for the purpose of submitting an independent opinion, and preparing a report of
13 findings and recommendations concerning internal accounting controls and procedures,
14 and compliance with KRS 164A.555 to 164A.630. The secretary of the Finance and
15 Administration Cabinet may prescribe the minimum scope of any such audit. The opinion,
16 with the findings and recommendations, shall be forwarded to the Governor, the secretary
17 of the Finance and Administration Cabinet, the Auditor of Public Accounts, the director of
18 the Legislative Research Commission, the president~~[Executive Director]~~ of the Council on
19 Postsecondary~~[Higher]~~ Education, and members of the governing board.

20 Section 131. KRS 164A.575 is amended to read as follows:

21 (1) The governing boards of each institution may elect to purchase interest in real
22 property, contractual services, rentals of all types, supplies, materials, equipment,
23 printing, and services, except that competitive bids may not be required for:

24 (a) Contractual services where no competition exists, such as telephone service,
25 electrical energy, and other public utility services;

26 (b) Food, clothing, equipment, supplies, or other materials to be used in laboratory
27 and experimental studies;

- 1 (c) Instructional materials available from only one (1) source;
- 2 (d) Where rates are fixed by law or ordinance;
- 3 (e) Library books;
- 4 (f) Commercial items that are purchased for resale;
- 5 (g) Professional, technical, scientific, or artistic services, but contracts shall be
- 6 submitted in accordance with KRS 45A.690 to 45A.725;
- 7 (h) All other commodities, equipment, and services which, in the reasonable
- 8 discretion of the board, are available from only one (1) source; and
- 9 (i) Interests in real property.
- 10 (2) Nothing in this section shall deprive the boards from negotiating with vendors who
- 11 maintain a general service administration price agreement with the United States of
- 12 America or any agency thereof, provided, however, that no contract executed under
- 13 this provision shall authorize a price higher than is contained in the contract between
- 14 general service administration and the vendor affected.
- 15 (3) The governing board shall require the institution to take and maintain inventories of
- 16 plant and equipment.
- 17 (4) The governing board shall establish procedures to identify items of common general
- 18 usage among all departments to foster volume purchasing. It shall establish and
- 19 enforce schedules for purchasing supplies, materials, and equipment.
- 20 (5) The governing board shall have power to salvage, to exchange, and to condemn
- 21 supplies, equipment, and real property.
- 22 (6) Upon the approval of the secretary of the Finance and Administration Cabinet, the
- 23 governing board may purchase or otherwise acquire all real property determined to
- 24 be needed for the institution's use. The amount paid shall not exceed the appraised
- 25 value as determined by a qualified appraiser or the value set by the eminent domain
- 26 procedure. **Any real property acquired under this section shall be in name of the**
- 27 **Commonwealth for the use and benefit of the institution.**

- 1 (7) The governing board shall sell or otherwise dispose of all real or personal property
 2 of the institution which is not needed or has become unsuitable for public use, or
 3 would be more suitable consistent with the public interest for some other use, as
 4 determined by the board. The determination of the board shall be set forth in an
 5 order, and shall be reached only after review of a written request by the institution
 6 desiring to dispose of the property. Such request shall describe the property and
 7 state the reasons why the institution believes disposal should be effected. All
 8 instruments required by law to be recorded which convey any interest in any such
 9 real property so disposed of shall be executed and signed by the appropriate officer
 10 of the board. Unless the board deems it in the best interest of the institution to
 11 proceed otherwise, all such real or personal property shall be sold either by invitation
 12 of sealed bids or by public auction; provided, however, that the selling price of any
 13 interest in real property shall not be less than the appraised value thereof as
 14 determined by the Finance and Administration Cabinet or the Transportation Cabinet
 15 for such requirements of that department.
- 16 (8) Real property or any interest therein may, subject to the provisions of KRS Chapter
 17 45A, be purchased, leased, or otherwise acquired from any officer or employee of
 18 any board of the institution, based upon a written application by the grantor or
 19 lessor~~leaseor~~ approved by the board, that the employee has not either himself or
 20 through any other person influenced or attempted to influence either the board
 21 requesting the purchase of the property. In any case in which such an acquisition is
 22 consummated, the said request and finding shall be recorded and kept by the
 23 Secretary of State along with the other documents recorded pursuant to the
 24 provisions of KRS Chapter 56.
- 25 (9) For capital construction projects, the bidding may be on a total design-bid basis, a
 26 package system commonly referred to as "turnkey," or construction management,
 27 whichever in the judgment of the board offers the lowest real cost to the taxpayer.

1 Bids shall be reviewed by the institution's engineering staff to assure quality and
 2 value, and compliance with bid procedures. All specifications shall be written to
 3 promote competition.

4 (10) The governing board shall attempt in every practicable way to insure the institution's
 5 supplying its real needs at the lowest possible cost. To accomplish this the board
 6 may enter into cooperative agreements with other public or private institutions of
 7 education or health care.

8 (11) The governing board shall have control and supervision over all purchases of energy
 9 consuming equipment, supplies, and related equipment purchased or acquired by the
 10 institution, and shall designate by regulation the manner in which an energy
 11 consuming item will be purchased so as to promote energy conservation and
 12 acquisition of energy efficient products.

13 (12) The governing board may negotiate directly for the purchase of contractual services,
 14 supplies, materials, or equipment in bona fide emergencies regardless of estimated
 15 costs. The existence of the emergency must be fully explained, in writing, by the vice
 16 president responsible for business affairs and such explanation must be approved by
 17 the university president. The letter and approval shall be filed with the record of all
 18 such purchases. Where practical, standard specifications shall be followed in making
 19 emergency purchases. A good faith effort shall be made to effect a competitively
 20 established price for emergency purchases.

21 Section 132. KRS 165A.320 is amended to read as follows:

22 KRS 165A.310 to 165A.410 shall not apply to any institution offering a four (4) year
 23 college level course recognized by the Council on Postsecondary~~[Higher]~~ Education nor
 24 shall it apply to any religious or nonprofit institution exempt from taxation under the laws
 25 of this state, or which is subject to the provisions of KRS 164.945. KRS 165A.310 to
 26 165A.410 is intended to apply to and regulate proprietary schools including but not

1 limited to correspondence schools which are operated as or are organized for profit,
2 whether profit is ever realized.

3 Section 133. KRS 168.020 is amended to read as follows:

4 As used in KRS 168.010 to 168.100, the following words and terms have the following
5 meanings, unless in any instance, the context shall clearly indicate another meaning, in
6 which event the context shall be controlling:

7 (1) "Authority" means the Kentucky Authority for Educational Television;

8 (2) "Board" means the Kentucky Board of Education;

9 (3) "Department" means the ~~Kentucky~~Kentucky ~~[State]~~ Department of Education;

10 (4) "Public schools" means the state-supported schools of the elementary and secondary
11 levels, as defined in KRS 157.320;

12 (5) "Commission" means the State Property ~~and~~ Buildings Commission of Kentucky;

13 (6) "Council" means the Council on ~~Postsecondary~~Postsecondary ~~[Higher]~~ Education in Kentucky;

14 (7) "University of Kentucky" means the University of Kentucky as one (1) entity,
15 including its present and future extensions;

16 (8) "State colleges and universities" means and includes Eastern Kentucky University,
17 Kentucky State University, Morehead State University, Murray State University,
18 Northern Kentucky University, Western Kentucky University, and the University of
19 Louisville, and institutions in the Kentucky Community and Technical College

20 System; ~~but does not include any present or future state-supported junior colleges,~~
21 ~~unless by statute the same are given representation on the council]~~

22 (9) "Educational television" means and includes the production of television programs,
23 the filming or taping thereof, the purchase or lease of filmed or taped programs
24 produced by others, and the transmission or relaying of them for utilization:

25 (a) Which may be used in aid of education in the public schools and state-
26 supported institutions of higher education; and

27 (b) For limited and incidental use in furtherance of other proper public functions;

1 (10) "Television facilities" means and includes sites, buildings, structures, machinery,
 2 equipment, and installations, each with necessary or appropriate appurtenances, used
 3 or useful in the furtherance of educational television;

4 (11) "Related functions" or "related services" means and includes the use of facilities
 5 operated or leased by the authority, or which may be added or connected to such
 6 facilities as permitted by applicable statutes, and to prepare, transmit, or enable the
 7 exchange of nontelevision programs, services, or functions for and among the public
 8 schools, state-supported institutions of higher education, and other state agencies:

9 (a) In aid of education; and

10 (b) For use in other proper public functions; provided, however, that such related
 11 functions or related services may include, but are not limited to, the following
 12 examples: computer-assisted instruction, data for teaching or administrative
 13 purposes, and educational noncommercial radio;

14 (12) "Related facilities" means and includes sites, buildings, structures, machinery,
 15 equipment, and installations, each with necessary or appropriate appurtenances, used
 16 or useful in the furtherance of related functions or services.

17 Section 134. KRS 168.040 is amended to read as follows:

18 (1) The authority shall consist of nine (9) members, as follows:

19 The chief state school officer, ex officio, who shall initially serve as temporary
 20 chairman and shall call and preside over the organizational meeting or meetings until
 21 the members of the authority shall elect a chairman from among their number; a
 22 member of the staff or personnel of the department elected by the board upon
 23 recommendation of the chief state school officer as being qualified to serve as liaison
 24 and coordinator between the authority and the department on matters of curriculum,
 25 and his term shall be the same as that of the chief state school officer by whom he is
 26 recommended, but terminable by the board in the event he is transferred to other
 27 duties in the department, and automatically terminated in the event of his severance

1 from the department for any reason; a representative of the University of Kentucky
 2 and a representative of the state universities to be elected by the Council on
 3 Postsecondary~~Higher~~ Education; five (5) additional members appointed by the
 4 Governor who need possess no special or prescribed qualifications except that they
 5 shall be citizens of Kentucky.

- 6 (2) Effective at 11:59 p.m. on June 30, 1994, all terms of gubernatorial appointees to
 7 the authority shall expire. Effective July 1, 1994, five (5) appointees nominated
 8 pursuant to KRS 164.005 and appointed by the Governor shall become members of
 9 the authority.

10 Section 135. KRS 194.150 is amended to read as follows:

11 Whenever federal programs require a particular citizens' council within or attached to the
 12 cabinet to include state officials as voting members, the secretary shall, for the specific
 13 purposes of those federal programs, be authorized to vote in those council meetings and
 14 shall further be authorized to call upon either the secretary of the Finance and
 15 Administration Cabinet, or the chief state school officer, or the secretary of the Justice
 16 Cabinet, or the secretary for natural resources and environmental protection, or the
 17 secretary of the Cabinet for Economic Development, or the president~~executive director~~
 18 of the Council on Postsecondary~~Higher~~ Education, or the secretary of the Public
 19 Protection and Regulation Cabinet, or the secretary of the Labor Cabinet or any
 20 combination of the above as may be appropriate, to be voting members of expanded
 21 citizens' councils for the purposes of these federal programs. The secretary shall exercise
 22 this prerogative only when the federal programs specifically require that state officials be
 23 voting members of the citizens' councils.

24 Section 136. KRS 314.142 is amended to read as follows:

- 25 (1) The Kentucky Board of Nursing shall promulgate administrative regulations
 26 pursuant to KRS Chapter 13A to create a Sexual Assault Nurse Examiner Program.
 27 These administrative regulations shall address, at a minimum:

- 1 (a) Educational requirements for sexual assault nurse examiners and statewide
- 2 standards for provision of the education;
- 3 (b) The application process through which registered nurses who submit
- 4 documentation of required education and clinical experience and who remit the
- 5 designated application fee may apply to the board to be credentialed as a
- 6 "Sexual Assault Nurse Examiner";
- 7 (c) Continuing education requirements for maintenance of the sexual assault nurse
- 8 examiner credential; and
- 9 (d) Methods of monitoring overall program implementation.
- 10 (2) For the purpose of providing recommendations to the Kentucky Board of Nursing
- 11 on the development and implementation of the Sexual Assault Nurse Examiner
- 12 Program, there is hereby created a fourteen (14) member Sexual Assault Nurse
- 13 Examiner Advisory Council. The following members shall serve on the council by
- 14 virtue of their office: the executive director of the Kentucky Board of Nursing or the
- 15 executive director's designee; the executive director of the Kentucky Hospital
- 16 Association or the executive director's designee; the state medical examiner or the
- 17 examiner's designee; the secretary of the Cabinet for Human Resources or the
- 18 secretary's designee; the president of the Statewide Association of Rape Crisis
- 19 Centers or the president's designee; the commissioner of the Department for Health
- 20 Services of the Cabinet for Human Resources or the commissioner's designee; the
- 21 chair of the Council on Postsecondary~~Higher~~ Education or the chair's designee;
- 22 the director of the Victim's Advocacy Division of the Office of the Attorney General
- 23 or the director's designee; the director of the Prosecutors Advisory Council of the
- 24 Office of the Attorney General or the director's designee; and the director of the
- 25 Kentucky State Police Crime Lab or the director's designee. Two (2) members shall
- 26 be registered nurses with forensic experience appointed by the Governor from a list
- 27 of three (3) names recommended by the Kentucky Nurses Association. Two (2)

1 members with a demonstrated interest and experience in victims' services shall be
 2 appointed by the Governor to serve as at-large members. Of the at-large members,
 3 one (1) shall be appointed from a list of three (3) names recommended by the
 4 Kentucky Board of Nursing and one (1) from a list of three (3) names recommended
 5 by the Cabinet for Human Resources.

6 (3) Members shall serve at the pleasure of the appointing authority but shall not serve
 7 longer than four (4) years without reappointment.

8 (4) The chair of the advisory council shall be elected by a majority vote of council
 9 members.

10 (5) Each member of the council may be reimbursed for necessary expenses incurred in
 11 attending its meetings from funds available through the collection of fees required
 12 under subsection (1) of this section.

13 Section 137. KRS 343.020 is amended to read as follows:

14 (1) The Governor shall appoint an Apprenticeship and Training Council composed of
 15 three (3) representatives from employer organizations, and three (3) from employee
 16 organizations, who shall serve for a term of three (3) years and until their successors
 17 are appointed and qualified. The commissioner of workplace standards and the
 18 *chancellor for the technical institutions' branch in the Kentucky Community and*
 19 *Technical College System*~~[state official designated by the State Board for Adult and~~
 20 ~~Technical Education as being in charge of trade and industrial education]~~ shall be ex
 21 officio members of the council. The chairman shall be elected by vote of the
 22 Apprenticeship and Training Council. The regular members of the council shall each
 23 have one (1) vote. In the event of a tie vote among the regular members, the
 24 commissioner of workplace standards shall have the right to cast the tie-breaking
 25 vote. Each member of the council shall receive his actual and necessary expenses
 26 incurred in attending its meetings. The council shall meet at the call of the
 27 commissioner and shall aid him in formulating policies for the effective

1 administration of this chapter. The commissioner with the aid of the council shall
 2 have the authority to make and revise such rules and regulations as he may deem
 3 appropriate to carry out the provisions and purposes of this chapter.

4 (2) The council shall be attached to the Labor Cabinet for administrative purposes.

5 Section 138. KRS 367.660 is amended to read as follows:

6 The following solicitations are exempt from the provisions of KRS 367.650 to 367.670:

7 (1) Solicitations by an organization of contributions from its members and their families
 8 only, if membership is not included in a solicitation to avoid the provisions of KRS
 9 367.650 to 367.670, is not granted upon the basis of contributions alone, and is
 10 within the exception of KRS 367.650(3).

11 (2) Solicitations by a religious organization for funds for religious purposes such as
 12 maintenance of a house of worship, conduct of services, and propagation of its faith
 13 and tenets as distinguished from other charitable and civic purposes employed by
 14 nonreligious organizations.

15 (3) Solicitations by a publicly-owned or nonprofit privately-endowed educational
 16 institution regulated by the Kentucky Board of Education, the Council on
 17 Postsecondary~~Higher~~ Education, or an equivalent public authority of the
 18 jurisdiction where the institution is located, from the alumni, faculty members,
 19 student body of the institution and their families, and from corporations, for the
 20 continuance of an established educational program.

21 (4) Local solicitations by a student group or parent-teacher association for its campus or
 22 group connected activities with the approval of the administration of the educational
 23 institution.

24 Section 139. The following KRS sections are repealed:

25 151B.160 Buildings for state vocational schools.

26 164.575 Definition for KRS 164.575 to 164.600.

27 186.1865 Special Kentucky Techlicense plates.

1 Section 140. Whereas it is critical that an orderly transfer be made to establish the
2 Kentucky Community and Technical College System by July 1, 1998, there is hereby
3 established a statewide transition team to be composed of the current Chancellor of the
4 University of Kentucky Community College, the Commissioner for the Department for
5 Technical Education, a representative of the finance and personnel offices for each system,
6 a representative from the Office of Policy Budget, and the Governor's Office, and to be
7 headed by the State Budget Director. The transition team shall be appointed by the
8 Governor within one month of the enactment of this Act. Planning and policy development
9 for the use of all appropriations for the 1996-98 biennium related to operations,
10 management, and support of the Kentucky Tech system, vocational-technical funds
11 administered by the Cabinet for Workforce development, operations, management, and
12 support of the University of Kentucky Community College System, and other funds
13 designated for these purposes, and transfer of the personnel and funds to the new systems
14 shall be administered by the State Budget Director, utilizing the appropriate transition
15 staff. All such policy direction shall be communicated to the Legislative Research
16 Commission, the Interim Joint Committee on Appropriations and Revenue and the Interim
17 Joint Committee on Education. Moreover, it is the intent of the General Assembly that all
18 personnel and resources within the agencies described in this section identified by the State
19 Budget Director as being necessary to assist in carrying out the provisions of this section
20 shall be made available to the Governor's Office for Policy and Management by the chief
21 administrators of each agency. The purpose of this provision is to provide policy transition
22 for the purpose of implementing the provisions of The Kentucky Postsecondary Education
23 Improvement Act of 1997. This authority shall continue only until such time as the first
24 president of the Kentucky Community and Technical College System is employed by the
25 board of regents for the Kentucky Community and Technical College System.

26 Section 141. If any provision of this Act or the application thereof to any person or
27 circumstance is held invalid, the invalidity shall not affect other provisions or applications

1 of the Act which can be given effect without the invalid provision or application, and to
2 this end the provisions of this Act are severable.

3 Section 142. Whereas it is critical that an implementation plan be developed and
4 specific personnel, board, and council appointments be made by July 1, 1997, an
5 emergency is declared to exist, and this Act takes effect upon its passage and approval by
6 the Governor or upon its otherwise becoming a law.